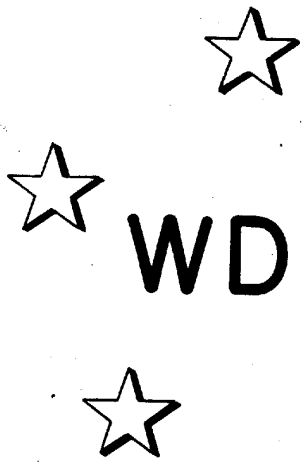
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Declassified - authority - Director C I G 18 Aug 47

[redacted]
OP-32 F-7

28



WDC

WASHINGTON DOCUMENT CENTER

TRANSLATION

Number 28

30 Aug 1946

E-1829-28

[redacted]
DOCUMENT NO.
NO CHANGE IN CLASS. X
CLASS CHANGED TO: TS S C
NEXT REVIEW DATE:
AUTH: HR 70-2
DATE: 11/6/82 REVIEWER: 007169

ISSUED UNDER THE JOINT AUSPICES OF

THE INTELLIGENCE DIVISION, W D G S

AND

OFFICE OF NAVAL INTELLIGENCE, U.S. NAVY DEPARTMENT

[redacted]

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

WARNING

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C., 31 and 32, as amended. Its transmission or the revelation of its contents in any manner to any foreign agencies or other unauthorized person is prohibited by law. Reproduction of the intelligence in this publication is prohibited without special authority from the Director of Intelligence, WDGS, War Department.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

~~RESTRICTED~~ Declassified Authority - Director C I G 18 Aug 47

W A S H I N G T O N D O C U M E N T C E N T E R

T R A N S L A T I O N

Number 28

30 Aug 1946

SECOND REPORT ON THE ACCOMPLISHMENTS OF RELATED COMPANIES IN MANCHURIA

ISSUED UNDER THE JOINT AUSPICES
OF
THE INTELLIGENCE DIVISION, W D G S
AND
OFFICE OF NAVAL INTELLIGENCE, U.S. NAVY DEPARTMENT

~~RESTRICTED~~

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Distribution List

USAFPAC	5
USAFPAC (ATIS)	5
USAFMIDPAC	2
USFCT	2
Alaskan Dept	1
White House (Mr Kerr)	5
CIG	2
JIS	1
CSigO	1
CCE	1
OCT	1
AAF	10
AGF	10
BJSM	15
CAS	6
ID	10
OP-32 F	1
OP-32 F-14	1
OP-32 F-12	2
OP-32 Y-1	1
OP-32 Y-2	1
OP-20-2 (via OP-32 Y-1)	6
CINCPAC	5
COMNAVJAP	2
COMNAVCHINA	2
COMSEVENTHFLEET	5
Total	103

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

SUMMARY OF CONTENTS

Second Report on the Accomplishments of the Related Companies in Manchuria
(WDC No 252522)

Captured in China and dated February 1941, this document presents a detailed statistical account of "present conditions" and "plans for the future" of seventeen related Manchurian companies, covering a period from 1938 to 1941. The authority for this report and those responsible for its compilation remain unknown.

Pages 1 through 121

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

COMPLETE TRANSLATION

SECOND REPORT ON THE ACCOMPLISHMENTS OF THE RELATED COMPANIES IN MANCHURIA

CPYRGHT

Feb 1941

TABLE OF CONTENTS

Abbreviations of Company Names

I. SHOWA STEEL MANUFACTURING CO, LTD

A. Present Condition

Capital, number of shares, Mangyo's investment, bonds, loans and various reserve funds

Present equipment

Output in 1939

State of the business

Increased prices for iron and steel

Production costs: pig iron, steel ingots, steel billets and rail plant (rails, tubes and steel billets)

Details of equipment fund: fixed assets, building account

Balance sheet

Profit and loss account

Bonds, advanced loans and loans

Output and dispersal of products, 1938-1940

Relation between the sale price of iron and steel and capital returns: pig iron, steel bars

B. Plans for the Future

Completion of the fourth stage of increased production

Plan for chemical industry

Undertakings for 1940

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Plan for capital in 1940

Estimated output and sales in 1940

Actual output and sales in 1940 (Apr-Sep)

A comparison of income and expenditure in the two periods of 1940

Plans for increased production and expansion of iron and steel

II. MANCHURIA COAL MINING CO, LTD, (Mantan)

A. Present Condition

Capital, number of shares, Mangyo's investment, bonds, advanced loans and bank loans

Coal output

Amount invested in various mines

Investment in related companies

State of the business

Cost of coal production, 1937-1940

Balance sheet

Profit and loss account

Bonds, advanced loans and loans

Details of the issuance of Mantan's guaranteed bonds

Extract from the flotation of Mantan's second bond subscription

Extract from the trust deed for the first issue of Mantan's guaranteed bonds

Output of the various coal mines, 1934-1939

Output of other companies

B. Plans for the Future

Plan for future output, 1940 and 1941

Coal output for all Manchuria and the amount exported to Japan, 1938-1940

Plans for excavation at the important mines, 1940

Capital plans for 1940

Summary of budget for 1940

Raised invoice prices for coal

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

COPYRIGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Invoice prices of unsifted coal at various Manton mines, and the revised market price

Extract from sales agreement with Nichiman Shoji on the basis of the revised prices

Coal invoices and sales standard for all Manchuria

Joint accounting of Manchurian coal exported to Japan, Sep 1939 - Mar 1940

Method of accounting of the pool for exporting coal to Japan

Establishment of the Missan (Mi-shan) Coal Mining Co

Revision of the law concerning Mantan

A survey of affiliated companies

III. MANCHURIA LIGHT METALS MANUFACTURING CO, LTD

A. Present Condition

Capital, number of shares and Mangyo's investment

Present equipment

Output

State of the business

Fixed assets

Investments in related companies

Balance sheet

Profit and loss account

B. Plans for the Future

Plans for increased production

Plans for 1940

Capital plans for 1940

Production in 1940

Receipts and expenditures, 1940

Aluminum production costs, 1940

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

IV. MANCHURIA MINING CO, LTD, (Manzan)

A. Present Condition

Capital, shares, Mangyo's investment and loans

Present equipment

Production and sales, 1939

State of the business

Details, receipts and expenditures, 1940, 1st period

Fixed assets

Investments in related companies

Balance sheet

Profit and loss account

B. Plans for the Future

Estimated output, 1943

Plans for 1940

Capital plans for 1940

Production and sales, 1940

Estimated receipts and expenditures, 1940-1943

Related companies

V. EASTERN REGIONS DEVELOPMENT CO, LTD

A. Present Condition

Capital, shares and Mangyo's investment

Present equipment

Production and sales, 1939

State of the business

Receipts and expenditures in the iron ore branch, 1940, 1st period

Receipts and expenditures in the coal branch

Receipts and expenditures for miscellaneous goods

Fixed assets

Balance sheet

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Profit and loss account

Details of present equipment: coal, 145; iron ore, 147; Erh-tao-chiang Iron Wks

B. Plans for the Future

Increased output

Plans for 1940 with estimated output

Estimated output, 1940

Capital plans for 1940

Sales receipts and production costs

Estimated income and expenditure

Plans for the iron works

VI. DOWA AUTOMOBILE INDUSTRY CO, LTD

A. Present Condition

Capital, shares, shareholders, Mangyo's investment and bank loans

Present equipment

Output and sales

State of the business

Fixed assets

Balance sheets

Profit and loss account

B. Plans for the Future

Increased output

Plans for 1940

Capital plans for 1940

Estimated output and sales for 1940

Plans for importing cars and parts, 1940

Sales of completed cars and chassis

Investment in related companies

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

VII. MANCHURIA AUTOMOBILE MANUFACTURING CO, LTD

A. Present Condition

Capital, shares, Mangyo's investment

Progress of construction of the An-tung plant

State of the business

B. Plans for 1940

Balance sheet

Profit and loss account

VIII. MANCHURIA AIRPLANE MANUFACTURING CO, LTD

A. Present Condition

Capital, number of shares, Mangyo's investment and bank loans

State of the business

Subsidy from the Manchukuo Government

Details, capital investment

Balance sheet

Profit and loss account

Capital plans for 1940

Estimated receipts and expenditures, 1940

Construction capital plans, first stage

IX. PEN-HSI-HU COAL AND IRON CO, LTD

A. Present Condition

Capital, shares, stockholders, Mangyo's investment, bonds, advanced loans and loans

Present equipment

Production and disposal, 1939

Sales

State of the business

Profit and loss account

Production costs, coal and iron ore

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Investment in related companies

Fixed assets

Balance sheet

Profit and loss account

Capital statement, 1939

Bonds, advances and loans

Present equipment: pig-iron, coal mining, iron ore mining, iron ore treatment, coke, power, by-products and transportation

B. Plans for the Future

Increased production, Five-Year Plan

Plans for 1940; equipment for pig-iron and steel

Capital plans for 1940

Profit and loss account, 1940

Output, 1940, estimate and performance

Details, plans for 1940

Plans for increased output of coal, iron and steel

State of progress of increased output

Details on capital for increased production

Related companies

X. KYOWA IRON MINING CO, LTD

A. Present Condition

Capital, number of shares, shareholders and Mangyo's investment

Present equipment

Fixed assets

Iron ore selling price

Output and sales of iron ore

State of the business

Balance sheet

Profit and loss account

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

B. Plans for the Future

Second expansion plan

Estimated output and sales, 1940

Capital plans for 1940

XI. MANCHURIA HEAVY MACHINERY CO, LTD

Capital, number of shares, Mangyo's investment and purpose of the company

Plans for manufacture

Estimated expenses

Capital plans for 1940

Balance sheet

Profit and loss account

Investment in related companies

XII. MANCHURIA BORING CO, LTD

A. Present Condition

Capital, number of shares and Mangyo's investment

Present equipment

Drilling operations

Fixed assets

B. Plans for the Future

Drilling machines

Capital plans for 1940

Balance sheet

Profit and loss account

XIII. MANCHURIA SPECIAL IRON ORE CO, LTD

A. Present Condition

Capital, number of shares

Construction progress

Construction budget

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

B. Plans for the Future

Production after completion

Plan for a private railway company

Treatment process

Receipts and expenditures

XIV. MANCHURIA LEAD MINING CO, LTD

A. Present Condition

Capital, number of shares, shareholders and investment by Manzan

Present equipment

Output and sales

State of the business

Balance sheet

Profit and loss account

B. Plans for the Future

Increased output

Plans for 1940

Capital plans for 1940

Estimated output for 1940

Output and sales

Sales receipts and expenditures

Estimated income and expenditure, 1940

Receipts and expenditures

Related company

XV. MANCHURIA MAGNESIUM INDUSTRY CO, LTD

Capital, number of shares and Keikinzoku's investment

Production goal

Construction plans

Construction budget

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Estimated output, 1940

Capital plans for 1940

Balance sheet

Profit and loss account

State of the business

XVI. FU-SHUN CEMENT CO, LTD

Capital, number of shares, Keikinzoku's investment and bank loans

Present equipment

Output and sales, 1939

State of business

Capital plans for 1940

Balance sheet

Profit and loss account

XVII. AN-TUNG CEMENT CO, LTD

Capital, number of shares, Keikinzoku's investment

Present equipment; capacity and cost

Plans for 1940

Capital plans for 1940

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

ABBREVIATIONS OF COMPANY NAMES

Company names are frequently abbreviated in the tables where there is not room to write the full name. The translation follows this practice.

The following are the most important:

Mangyo	Manshu Jukogyo Kaihatsu Kabushiki Kaisha (Manchuria Heavy Industry Development, Co, Ltd)
Mantetsu	Namman Tetsudo Kabushiki Kaisha (South Manchurian Railway Co, Ltd)
Nichiman	Nichiman Shoji Kabushiki Kaisha (Japan-Manchuria Trading Co, Ltd)
Mantan	Manshu Tanko Kabushiki Kaisha (Manchuria Coal Mining Co, Ltd)
Manzan	Manshu Kozan Kabushiki Kaisha (Manchuria Mining Co, Ltd)
Keikinzoku	Manshu Keikinzoku Seizo Kabushiki Kaisha (Manchuria Light Metals Manufacturing Co, Ltd)
Okura	Okura Jigyo Kabushiki Kaisha (Okura Enterprises, Ltd)
Nittetsu	Nippon Seitesu Kabushiki Kaisha (Japan Iron Works)

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

I. SHOWA STEEL MANUFACTURING CO, Ltd

Kabushiki Kaisha, Showa Seikosho

Abbreviation, Showa

A. Present Condition

Capital (Paid up)		¥ 200,000,000
At founding 1929		¥ 100,000,000
Added in 1938		100,000,000
Number of shares		4,000,000
Mangyo		
Received from Mantetsu	1,100,000 shares	
From capital increase	2,000,000 shares	
Mantetsu	900,000 shares	
Invested by Mangyo		¥ 213,049,284
Capital funds		¥ 183,050,000
Loans		
Direct	4,999,284	
As agent	25,000,000	
Bonds		¥ 94,800,000
Loans outstanding		¥ 4,786,173
Various reserve funds		¥ 25,500,000

Present equipment

Pig iron	Yearly capacity	1,700,000 MT	(8 Blast Furnaces)
Bloom	Yearly capacity	40,000 MT	(2 Kenn Furnaces)
	Total	1,740,000 MT	
Steel ingots		580,000 MT	
Steel billets		500,000 MT	
Steel material		370,000 MT	

Besides the above, accessory equipment and equipment for mining

Output in 1939 (Unit 1,000 MT)

	Estimated	Actual output	Percentage
Pig iron	1,450	878	60
Steel ingots	620	521	84
Steel billets	531	458	86
Steel material	330	314	95

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

State of the business

The company has made a rather poor showing recently, due to various causes such as: shortage of coal and advanced price of same, increased cost of production and increase of idle capital because of sudden expansion of equipment, etc. This is shown by the following table:

Period	Profit	Percentage of paid-up capital	Dividend percentage
1938 1st half	¥ 7,940,319	15.7	7
1938 2d half	8,184,827	12.5	7
1939 1st half	9,608,564	11.7	7
1939 2d half	9,745,666	11.0	7
1940 1st half	9,437,517	9.4	6
1940 2d half	(no figures)		

In the second half of 1939, by transferring certain balances, the company managed to pay its regular dividend; but in order to come out even, it was necessary to raise the prices of its products, permission for which was requested of the government. This was given in June of 1940, but too late to save the situation in the first half of that year; so the dividend was reduced as above. The new schedule of prices was as follows:

Commodity	Revised price per ton	Former price per ton
Pig iron	¥ 105.00	¥ 81.00
Steel bars	225.00	195.00

The transfer of capital funds was as follows:

1939 2d half	¥ 14,000,000	
Receipts 1940 1st half		¥ 10,500,000
Receipts 1940 2d half		1,000,000,
Balance receivable from uncompleted transfer		2,500,000
		¥ 14,000,000

Increased prices for iron and steel

Official selling prices (f o b and c i f prices):

	New price	Old price	Advance	Advance %
Pig iron (Anshan, #3 base)	¥ 105	¥ 81	¥ 24	29.63
Steel material (Steel bar base)	225	195	30	15.39
Half finished product for Japan (#2 base)	181	151	30	19,87
For Japan (c i f Japan)	105	79	26	32.91
Pig iron (Half finished base)	195	165	30	18.18

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Official purchase prices:

	New price	Old Price	Advance	Advance %
Pig iron (Anshan, #3 base)	¥ 90	¥ 65	¥ 25	39.23
Steel material (Steel bar base)	180	150	30	20
Half finished product #2 base	160	130	30	24.61
Imports from Japan, c i f Dairen Steel material	213	186	26	13.96

Production costs (A Comparison of 1940 1st half and 1939 2d half)

Pig iron

	1940 1st half	1939 2d half	Increase	Decrease
Raw material	66.581	¥ 63.962	¥ 2.619	
Operation	9.542	9.991		¥ .449
Amortization	5.237	4.918	.319	
Sale of by-products	3.960	-3.499		.461
Various receipts	-7.392	-3.942		3.450
Plant total	70.008	71.430		1.422

Steel ingots:

Melting pig iron	70.010	71.324		1.314
Raw material	78.996	78.764	.232	
Operation	14.348	14.120	.228	
Amortization	5.071	4.924	.147	
Total for ingots	98.415	97.808	.607	

Steel billets

Ingot material	97.948	97.549	.399	
Raw material	108.608	106.986	1.622	
Operation	.196	1.649		1.453
Amortization	1.126	1.104	.022	
Total for billets	109.930	109.739	.191	

Rail plant:(Rails, tubes and steel billets)

Steel billet material	107.534	105.209	2.325	
Raw material	114.617	111.352	3.265	
Operation	8.581	9.864		1.283
Amortization	2.410	2.452		.042
Plant total	125.608	123.668	1.940	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Details of equipment fund

Fixed assets (Unit ¥ 1,000):

	End of 1st half 1940	Estimated	Difference
*Building account	32,082		
*Purchases from the iron works	27,300		
Increased output			
First stage	42,732		
Second stage	24,722		
Third stage	44,354	48,620	4,266
Fourth stage	102,138	246,000	143,862
Miscellaneous account	8,859		
Total	282,190 [sic]		
Excluded	4,918		
Depreciation and Amortization	73,852		
Total	78,769 [sic]		
Total expenses	203,421 [sic]		

(* Before the plan for increase)

Building account			
Construction	16,745		
Fourth stage			
Fifth stage	23,265	279,900	256,635
Total	40,011 [sic]	#(92,100)	#(68,835)
Fixed assets	203,421		
Building account	40.011		
Total	243,432		

Refers to present budget sums less than ¥ 3,000 disregarded

Balance sheet (as of 30 Sep 1940)

Debits		Credits	
Equipment fund	¥194,389,990.92	Capital (or stocks)	¥ 200,000,000.00
Property rights	9,031,563.39	Legal reserve	3,400,000.00
Building account	40,011,175.18	Special reserve	22,500,000.00
Products	2,649,984.57	Bonds	95,100,000.00
Products half finished	9,313,846.30	Loans	12,900,000.00
Stored goods	41,557,533.23	Deposits	644,734.11
Special material	5,192,654.20	Loan securities	215,000.00
Securities	150,025.00	Money received as security	3,000.00
Cash	15,673.07	Employee's savings and fidelity	8,862,274.00
Deposits	10,069,541.81	Mutual aid account	1,120,480.07
Loans	389,206.31	Exchange account	4,086.08
Negotiable bonds	173,350.00	Accounts payable	18,091,753.30
Money posted as sec	243,054.00	Full termed redeemable bonds	37,200.00

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

RESTRICTED
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Debits		Credits	
Accounts receivable	16,854,235.15	Temporary receipts	4,033,261.25
Temporary payments	48,030,666.65	Bal from previous account	2,612,693.67
Bond balance	889,500.00	Profits for period	9,437,517.30
Total	¥ 378,961,999.78	Total	¥ 378,961,999.78

Profit and loss account

Losses		Profits	
Sales expenditure	¥ 51,939,980.04	Sales receipts	¥ 67,081,204.80
Interest expenditure	2,203,652.90	Interest receipts	146,210.19
Management expenditure	6,392,636.11	Management receipts	155,015.21
Miscellaneous expenditure	339,900.96	Miscellaneous receipts	2,931,257.11
Profits	9,437,517.30		
Total	¥ 70,313,687.31	Total	¥ 70,313,687.31

Bonds ¥ 94,800,000
Note: (the company's bonds, advance borrowings and loans are as of 31 Jan 1941)

Advanced loans

#1	¥ 8,800,000 Issued Nov 1935	4.3%	Guaranteed by Mantetsu
#2	16,000,000 Issued Jul 1936	4.2%	Guaranteed by Mantetsu
#3	25,000,000 General Mortgage Jul 1939	4.3%	Guaranteed by Mangyo
#4	25,000,000 Sep 1939	4.3%	Guaranteed by Mangyo
#5	20,000,000 Dec 1939	4.3%	Guaranteed by Mangyo

Remark: bonds redeemable in 10 years, but must be left 2 years unredeemed (issue 1, 3 years). At the end of January of this year ¥ 1,200,000 of the first issue and ¥ 2,000,000 of the second were redeemed.

Loans ¥ 4,786,173

From the 100th Bank	¥ 2,900,000	(By note)
From the Bank of Chosen	1,886,173	(By overdraft)

Output and dispersal of products, 1938-1940 (Unit MT)

Note: the fiscal year for 1938 and 1939 is April-March

Pig iron:	1938	1939	(Estimated) 1940 (Apr-Mar)	(Actual Result) 1940 (Jan-Dec)
Output	713,371	878,062	1,259,100	947,677
Dispersal				
Manchukuo	95,016	131,915	750,000	483,067*
Japan	112,080	290,840		
Self	499,674	461,643	509,100	468,876
Total	706,770	884,398	1,259,100	951,943

RESTRICTED
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Steel ingots:	1938	1939	(Estimated) 1940 (Apr-Mar)	(Actual Result) 1940 (Jan-Dec)
Output	585,092	521,608	560,000	533,802
Dispersal				
Manchukuo	10,548	15,690		
Japan			18,000	16,221*
Self	574,544	505,918	542,000	519,402
Total	585,092	521,608	560,000	535,623
Steel billets:				
Output	520,752	458,730	529,690	486,973
Dispersal				
Manchukuo	58,699	56,469	120,000	132,820
Japan	141,668	57,717	34,980	
Self	336,360	340,107	374,710	358,726
Total	536,727	454,293	529,690	491,546
Steel material:				
Output	292,542	314,508	296,700	301,789
Dispersal				
Manchukuo	262,615	266,708	267,700	
Japan	54			295,281*
Self	25,327	53,681	29,000	21,224
Total	287,996	320,389	296,700	316,505

Relation between the sale price of iron and steel and capital returns

1. Pig iron (#3 base casting, per MT):

Domestic sale

Nichiman's selling price at Hsining		¥ 112.00
Invoice price of Showa and Penhsihu	¥ 90.00	
Freight, Anshan to Hsining	7.00	
Commission to Nichiman (2.5%)	2.62	
Total	¥ 99.62	
Balance (gain)	12.38	
	112.00	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Note: the actual freight Anshan-Hsining is ¥ 6.93
actual freight Anshan-Mukden is 2.08
actual freight Penhsihu-Mukden is 1.97
Hence, the balance should be corrected accordingly. Moreover, when the sale is made directly through Nichiman, the commission is 1.3%; but, when they sell through an agent, ¥ 2.50 per ton must be added, which reduces the balance some ¥ 1.25.

Sale in Japan

Selling price in Japan proper	¥ 79.00	
Invoice price of Showa and Penhsihu		¥ 90.
Freight to Japan		12.00
Commission to Nichiman (1.3%)		1.38
Total		103.38
Balance (loss)	24.38	
	¥ 103.38	

To meet this situation, Nichiman suggests the following revision:

Selling price in Japan proper		¥ 105.
Invoice	¥ 90.00	
Freight	12.00	
Commission (1.3%)	1.36	
Total	103.36	
Balance (gain)	1.64	
	¥ 105.00	

Freight from Manchuria to Japan is as follows:

By Rail (Special rate)	¥ 4.37
By Ship (Special rate)	5.40
Miscellaneous charges	2.20
Total	¥11.97

The prevailing rate however, is ¥ 12.00

Steel bars:

Domestic sale (Small size 19 m/m-32 m/m per ton)

Nichiman's selling price in Hsining		¥ 232.00
Invoice, Showa to Nichiman	¥ 180.00	
Freight, Anshan to Hsining	7.00	
Commission to Nichiman	5.62	
Total	¥ 192.62	
Balance (gain)	39.38	
	¥ 232.00	

Note: if the freight is based upon the rate between Lishan, and the selling price remained the same, the balance is reduced. If the sale is made through an agent calling for ¥ 10. commission, that to Nichiman will be reduced proportionally so that ¥ 7.30 must be paid and the balance reduced accordingly.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Import of Japan-made steel bars (Small size, 19 m/m-32 per ton)

Nichiman's selling price in Dairen		¥ 225.00
Import price c i f, Dairen	¥ 213.00	
Commission to Nichiman (2.5%) direct	5.62	
Wharfage and miscellaneous, Dairen	5.00	
Total	¥ 223.62	
Balance (loss)	1.38	
	¥ 225.00	

Note: if the sale is made through an agent, the commission is increased ¥ 7.30 as above. If the sale is made north of Dairen, to Lishan, freight to that place must be added.

B. Plans for the Future

Completion of the fourth stage of increased production

Of the fourth stage, the company has already completed the production of 500,000 MT of pig iron and 400,000 MT of bloom. There remains to be finished by the end of 1942 the following:

Bloom	160,000 MT	Present capacity	200,000 MT
Steel ingots	750,000 MT	Present capacity	1,330.000 MT
Steel billets	500,000 MT	Present capacity	1,000,000 MT
Steel material	260,000 MT	Present capacity	630,000 MT

The capital needed for the above is about ¥ 330,000,000. (In the budget for 1940 and 1942 the total is ¥ 130,000,000.)

The company comtemplated undertaking the fifth stage of the increased production plan this year, but because of the shortage of materials, it was decided, after consultation with Nichiman, to go on with the fourth stage and postpone the fifth to a later date. The details of the fifth stage are:

Pig iron	850,000 MT	Yearly output
Steel ingots	750,000 MT	Yearly output
Steel billets	670,000 MT	Yearly output
Steel material	300,000 MT	Yearly output

The capital needed for this is about ¥ 280,000,000.

Plan for chemical industry

This concerns the utilization of the gas and tar generated in the course of producing pig iron and coke for making synthetic fuel, ammonium nitrate fertilizer, etc. The governments of both Japan and Manchoukuo are giving it aid in the way of materials, technical advice and capital. The estimated first payment is ¥ 3,750,000.

The plan calls for the production of 213,000 MT of liquid fuel and 130,000 MT of ammonium nitrate fertilizer. It is divided into two stages and calls for some ¥ 260,000,000 to furnish the equipment. Also for ¥ 60,000,000 to provide for the related industry of dye manufacture.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Undertakings for 1940

The following, now under construction, which remain of the fourth stage of increased production, are expected to be completed during this year:

Bloom plant (40,000 MT Renn furnace) by the end of 1940
Ore-dressing plant (Sinter treatment 150,000 MT) by the end of 1940
Coal-washing plant (Washed coal 700,000 MT)
Steel-making equipment (building and installations under construction) by the end of 1940

Plan for capital in 1940 Revised Plan

Capital	October	August
Balance forward	¥ 14,500,000	¥ 14,500,000
Bonds		30,000,000
Mangyo Investment	50,000,000	10,000,000
Profits	24,297,000	33,600,000
Total	¥ 88,797,000	¥ 88,100,000
Expenditure		
Annual expenses	¥ 9,000,000	¥ 9,000,000
Increased production	52,255,000	50,000,000
Mining equipment		10,870,000
Ore-dressing equipment		4,675,000
Pig iron equipment		5,830,000
Steel equipment		11,630,000
Secondary equipment		16,445,000
Land		550,000
Investment in related companies	3,750,000	4,450,000
Ex post facto treatment	4,000,000	4,000,000
Dividends	12,192,000	13,200,000
Bond redemption	1,600,000	1,600,000
Total	¥ 82,797,000	¥ 82,250,000
Balance forward	¥ 6,000,000	¥ 5,850,000

Note: expected production of pig iron, 1,100,000 MT.

Estimated output and sales in 1940 (Apr-Mar '41; unit, MT)

	Output	Sales	(To Japan)
Pig iron	1,100,834	589,647	400,000
Steel ingots	560,000	24,000	
Steel billets	488,690	123,480	33,480
Steel material	337,700	302,200	1,500

Note: includes billets and Sukerupu in steel material.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Actual output and sales (Apr-Sep 1940)

	Output	Sales
Pig iron	482,370	254,025
Steel ingots	259,206	
Steel billets	225,928	56,987
Steel material	170,054	167,718

Note: includes billets in the steel material.

A comparison of income and expenditure in the two periods of 1940

Income

		First period		Second period (Estimated)
Receipt from sales		¥ 67,081,204 [sic]		¥ 66,388,000
Pig iron	¥ 20,434,982		¥ 19,908,000	
Bloom	41,958		1,920,000	
Material	42,429,218		44,560,000	
Others	4,175,044			
General receipts int.		301,225		173,000
Miscellaneous		2,931,257		
Total		¥ 70,313,687 [sic]		¥ 66,561,000

Expenditure:

Sales expenditure		51,939,980 [sic]		50,062,000
Pig iron	¥ 18,103,067		¥ 16,767,000	
Bloom	24,474		1,428,000	
Material	29,954,466		31,867,000	
Others	3,857,971			
General expenditures		6,392,636		6,599,000
Interest paid		2,203,652		2,900,000
Miscellaneous expenditures		339,900		
Total		¥ 60,876,170 [sic]		¥ 59,561,000
Balance (profit)		¥ 9,437,517 [sic]		¥ 7,000,000

Note: figures below ¥ 1, omitted.

Plans for increased production and expansion of iron and steel
(Unit, 1,000 MT)

Pig iron:

Capacity: 1939-1,700; 1940-1,700; Goal,-1,700

Blast Furnaces: 350 MT-1; 400 MT-1; 500 MT-1; 600 MT-1; 700 MT-2, 2

Bloom:

Capacity: 1940-80; Goal-200; Needed-120

Renn Furnaces: 1940-4; Needed-6

Total for pig and bloom: 1939-1,70C; 1940-1,780; goal-1,900

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Steel ingots:

Capacity: 1939-580; 1940-580; goal-1,130

Increase-750 (1941-500; 1942-250)

Open-hearth furnace: 100 MT-4
150 MT-2; (add 6; 1941-2; 1942-4)

Preliminary refining furnace: 300 T-3 (add 4; '41-3; '42-1)

Cupola furnace: 600 T-1 (add 1, 1941)

Steel billets:

Capacity: 1939-500; 1940-500; goal-1,000 (Increase, 500, 1942.)

Ingot divider: 1 (add 1942-1.)

Steel material:

Capacity: 1939-370; 1940-370; goal-630

Rails and large sizes: 1939-160; 1940-160 (no increase)

Small sizes and wire material: 1939-170; 1940-170; goal-280 (add 1942-110,

Medium plates: goal-150 (add 1941-150)

Thin plates: 1939-40; 1940-40 (no increase)

Old Plan for 4" and 5" stages of expansion

Pig iron Goal 2,550 (add 1942-300; 1943-550; total-850)

Bloom Goal 200 (add 1940-40; 1942-120; total-160)

Total 2,750

		Increase			
	Goal	1941	1942	1943	1944
Ingots	2,080	500	250	750	
Billets	1,840	670			670
Materials	930		150	110	300
Rails, large size	360				200
Rails, medium size	100				100
Rails, size and wire material	280			110	
Medium plates	150		150		
Thin plates	40				

Note: improvements of high temperature furnace:

Apr 1939-350 MT furnace to 400 MT furnace
Apr 1939-400 MT furnace to 550 MT furnace

RESTRICTED

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

II. MANCHURIA COAL MINING CO, LTD

Manshu Tanko Kabushiki Kaisha
(Abbreviation, Mantan)

A. Present Condition

Capital (Paid up) ¥ 300,000,000

At founding	1934	¥ 16,000,000
First increase	1937	64,000,000
Second "	1939	120,000,000
Third "	1940	100,000,000

Number of shares

Mangyo		
Transferred from Manchuria and Nantetsu,	1,155,236	shares
(in the name of the Minister of Communications)	23,200	"
Capital increase guarantee	4,400,000	"
Central Bank	21,564	"

Mangyo's investment (as of Jan 1941)

Capital	¥ 300,502,011
Loan	92,700,000
" as agent	30,000,000

Bonds and advanced loans ¥ 49,000,000

Bank loans 5,830,749

Coal output

For the year ending March 1939	7,030,000 MT
" " " " March 1940	11,890,000 "

Coal output for 1939 (Apr '39-Mar '40; unit, 10,000 MT):

Mines directly owned:

Mine	Output	Mine	Output
Fou-hsin	288	Hsi-an	129
Hao-kang	98	Pei-p'iao	69
Ti-tao	38	Cha-lai-no-erh	21
Fu-chou	13	Tung-ning	12
T'ien-shih-fu	9	Heng-shan	8
Ho-lung	7	Ch'eng-tzu-ho	6
Others	5		
Total			703

Affiliated mines:

Hun-ch'un	1
Ying-ch'eng-tzu	23
Shan-sung-kang	2

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Amount invested in various mines (as of June '40; unit, ¥ 1,000)

Mine	Fixed Assets	Floating Assets	Total
Fou-hsin	78,660	18,104	96,764
Hsi-an	37,726	9,641	47,367
Pei-p'iao	26,889	6,521	33,410
Hao-kang	24,089	8,467	32,556
Ti-tao	21,909	7,264	29,173
Cha-lai-no-erh	3,790	1,226	5,016
Fu-chou	1,848	567	2,415
T'ien-shih-fu	6,795	1,938	8,733
Ho-lung	4,652	1,592	6,244
Tung-ning	1,506	429	1,935
Ch'eng-tzu-ho	4,834	3,314	8,148
Heng-shan	4,844	3,213	8,057
San-hsing	3,224	735	3,959
Subtotal	220,766	63,011	283,777
Directly controlled mines & coal mines	8,805	29,681	38,486
Total	229,571	92,692	322,263

Investment in related companies (as of Jan 1941; unit ¥ 1,000)

Name of company	Authorized Capital	% from Mantan	Dividend %	Amt from Mantan	Paid in from Mantan
Tohendo Development	140,000	7.1	-	10,000	10,000
Fou-hsin Works	4,000	42.5	4	1,730	1,115
Ying-ch'eng-tzu Co	4,000	60.	6	2,400	2,400
Shan-sung-kang "	2,000	60.	-	1,200	1,200
Shu-lan	15,000	40.	-	6,000	6,000
Hun-ch'un	30,000	50.	4	15,000	10,000
Mantan mine-posts	5,000	100.	-	5,000	5,000
" mining tools	3,500	66.4	-	2,300	2,300
Yu-tung Coal Mine	6,000	8.8	12	52.5	52.5
Manshu explosives	8,500	8.2	-	70	70
" Oil Conversion	20,000	6.	-	500	500
" Synthetic Fuel	50,000	6.	1	3,000	2,400
Total	288,000			47,252.5	41,037.5

Amount underwritten by Mantan	¥ 47,252,500
Of which, amount paid up	41,037,500
Loans outstanding	4,470,236

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

State of the business

Period	Receipts	Expenditure	Profit	Dividend
1937 (Jul '37-Jun '38)	¥23,923,564	¥21,688,180	¥2,235,384	3%
1938 (Jul '38-Jun '39)	55,516,975	52,317,990	3,198,985	3
1939 (Jul-Dec)	42,027,895	38,177,640	3,850,255	4
1940 (Jan-Jun)	34,709,102	33,955,885	753,217	-

Cost of coal production, 1937-1940

Item of expense	Jul '37-Jun '38	Jul '38-Jun '39	1939 Jul-Dec	1940 Jan-Jun
General	*¥2.382	¥2.381	¥3.18	¥3.44
Excavation		.484	.58	.40
Labor wages		2.09	2.39	2.90
Supplies	2.011	1.453	.96	1.11
Electric power	1.453	.256	.23	.28
Repairs		.241	.31	.41
Mine-posts			.47	.72
Powder			.26	.25
Special grants	.241	.535		
Amortization	.563	.524	.49	.61
Less various receipts	.177	1.478	1.72	1.19
Production cost	6.473	6.486	7.15	8.93

(* Includes wages ¥0.601)

Balance sheet (as of 30 Jun 1940)

Debit		Credit	
Unpaid capital	¥ 50,000,000.00	Capital	¥ 300,000,000.00
Mines (fields)	85,199,562.51	Legal reserve	861,000.00
Land	5,182,233.30	Special reserve	850,000.00
Mines (pits) (coal)	58,874,916.28	Casualty insurance reserve	400,000.00
Sand fields	18,856.40	Retirement funds	508,000.00
Coal dressing sta	5,852,408.10	Bond redemption	1,240,000.00
Factories	8,893,554.81	Balance forward	501,544.91
Elec power sta	671,699.13	Profits	753,216.73
Railroads	10,002,385.80	Withheld for retirement funds	285,470.00
Telephones	790,528.77	Bonds	49,500,000.00
Water works	6,893,009.34	Loans	60,280,000.00
Heating	6,609,733.67	Accounts payable	17,489,588.73
Electrical equip	5,803,077.39	Bills payable	6,675,231.83
Water transport equip	128,712.05	Fidelity bonds	2,007,376.28
Miscellaneous equip	34,650,252.35	Employees' savings	2,371,654.51
Investments	32,278,500.00	Mutual benefits account	438,671.60
Coal	5,627,852.79	Bank overdraft	7,836,473.30
Misc products	9,302.19	Suspense receipt	14,748,523.49
Stored goods	61,410,516.68	Money recd as security	73,893.80

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Debit		Credit	
Lumber	¥ 434,783.05	Mangyo account	¥ 27,500,000.00
Loans outstanding	6,227,167.81		
Accounts receivable	13,559,215.84		
Bank deposit	4,821,674.54	Total	¥ 494,320,645.18
Cash	601,173.84		
Suspense payment	83,185,019.30		
Balance from bonds	658,000.00		
Money deposited as sec	483,773.94		
Nichiman account	5,352,736.30		
Total	¥ 494,320,645.18		

Profit and loss account (Jan-Jun 1940)

Losses		Profits	
Sales expenditures	¥ 33,238,260.18	Sales receipts	¥ 34,624,738.30
Investment "	717,624.92	Investment "	84,363.53
Profits	753,216.73		
Total	¥ 34,709,101.83	Total	¥ 34,709.101.83

Note: amortization for the first half of 1940 was ¥ 2,685,876.25, and elimination for the first half of 1940 was ¥ 129,861.78.

Bonds, advanced loans and loans (as of 31 Jan 1941)

Bonds:			¥ 49,000,000
Nomura Shoken Guarantee		¥ 9,000,000	
Mantan Shidan "	A	10,000,000	
" " "	B	10,000,000	
" " "	C	10,000,000	
" " "	D	10,000,000	
Advanced loans			¥ 30,000,000
Loans:			¥ 5,830,747
Manshu Development Bank (overdraft)		2,352,868	
Manshu Central " "		3,477,879	

Details of the issuance of Mantan's guaranteed bonds

The guarantees for Mantan's bonds were arranged in October 1937 by Mantan and the Development Bank, representing the corporation (Shidan) under the following agreement: "Mantan offers its property and assets, present and future, as security for its bonds." At that time the Manchurian law concerning bond guarantee and trust was not yet promulgated. So Mantan negotiated advanced loans as a temporary measure, and, while waiting for the appearance of the law, made these into guaranteed bonds. The above law was promulgated 25 Aug 1938 in accordance with which Mantan and the bank issued certificates, which were signed in November of the same year. At this time the former amount of ¥ 55,000,000 was increased to ¥ 140,000,000, and on 15 Dec the first A bonds were issued for ¥ 10,000,000. Later, the other issues to a total of ¥ 40,000,000 were made.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRIGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

First issue	A	¥	10,000,000	15 Dec 1938
Second "	B		10,000,000	15 Apr 1939
Third "	C		10,000,000	5 Oct 1939
Fourth "	D		10,000,000	15 Nov 1939

These all mature in ten years, but must be held for two years; interest 4.3%; issuing price, 99.50. Besides the above the advanced loans amount to ¥ 30,000,000.

Extract from the flotation of Manchu's second bond subscription, 5 Oct 1937

"Article 8. Party of the first part hypothecates a first claim against all its property and assets in guarantee of its bonds; a foundation will be set up for this guarantee; its form and procedure will be carried out in accordance with the law, and with a separate contract.
Article 9. The Manchurian Government guarantees the principal and interest on all the above bonds until all clauses concerning the form and procedure of the bonds have been determined.
Article 10. Succeeding new issues of bonds of this company and issues for redemption of outstanding bonds shall be guaranteed in accordance with Article 8 and the preceding article and their redemption shall receive equal treatment with that of the earlier issues."

Extract from the trust deed for the first issue of guaranteed bonds of the Manchurian Coal Mining Co Ltd, dated 10 Nov 1938

"Section 4. Real Property Security (Guarantee)

Article 30. The party of the first part, as a guarantee of this company's bonds to the amount of ¥ 140,000,000 in Japanese currency, establishes a primary claim, registered at the Manchurian Imperial District Court at WAFANGTIEN, on Mining Industry Foundation No 1, which it owns.

The articles forming the Mining Industry Foundation, mentioned in the previous paragraph, shall be recorded in a catalogue and, as the certified catalogue of the Mining Industry Foundation, shall be preserved together with the trust deed.

Article 31. The party of the first part shall immediately add to the Mining Industry Foundation of paragraph one of the previous article, all mining rights without exception which it owns and equipment, property connected with the operation of each of the coal mines of Mi-shang, Hao-kang, Chientao (Ho-lung) Tien-shihfu, Shu-lan and Tung-ning.

The party of the first part must add to the above Mining Industry Foundation all property presently owned as well as newly acquired in the future and concerning the making of additions it will immediately go through the procedure of requesting the recording or registration of changes in the catalogue of the Mining Industry Foundation resulting from the additions. Concerning things which belong to the said Mining Industry Foundation, revisions and other instances shall be similarly treated.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Article 32. The party of the first part shall, on demand of the party of the second part (bondholders) when security is considered insufficient, add to the guarantee of the company's bonds even property not included in the assets referred to in Articles 30 and 31.

Article 33. Each bondholder of this company's bonds regardless of the issue or issue date shall impartially receive interest on the principal according to his holdings.

Article 34. The party of the first part when transferring, trading or selling any part of the property which is included in the guarantee of this company's bonds and which will not damage the operational ability of equipment nor the value of the guarantee as recognized by the party of the second part, receiving the approval in writing of the party of the second part, shall immediately, according to the transfer, trade or sale, go through the procedure of requesting the recording or registration of the change in the catalogue of the Mining Industry Foundation, and moreover, in the case of sale, shall hold the sale price in trust for the party of the second part.

The party of the first part, concerning the security property in the previous paragraph, shall immediately notify the party of the second part in writing, when, due to official levy, etc., there is fear that they will not receive the settlement and furthermore when they do receive compensation, shall immediately hold it in trust for the party of the second part."

Output of the various coal mines (Apr-Mar 1934-1939; unit, MT)

Mines directly owned:

Mine	1934	1935	1936	1937	1938	1939
Fou-hsin	99,358	143,321	171,100	399,530	1,340,018	2,876,479
Hsi-an	498,002	679,002	894,066	798,029	1,123,708	1,290,937
Pei-p'iao	276,979	289,938	292,768	351,771	398,827	689,823
Hao-kang	315,124	328,289	341,644	479,845	671,581	976,843
Ti-tao	-	13,911	60,267	101,552	171,770	378,218
Fu-chou	162,966	145,789	143,676	140,980	144,099	127,380
Cha-lai-no-erh	-	39,852	137,536	151,097	149,326	208,757
Ho-lung	-	-	-	2,885	8,997	68,726
T'ien-shih-fu	-	-	-	3,957	21,110	95,841
Tung-ning	-	-	-	2,069	62,024	124,796
Heng-shan	-	-	-	-	6,350	76,627
Ch'eng-tzu-ho	-	-	-	-	4,503	57,262
San-hsing	-	-	-	-	-	7,721
Ai-hun	-	-	-	-	-	19,084
Pao-ch'ing	-	-	-	-	-	7,550
Shu-lan	-	-	-	1,953	20,761	12,872
Hun-ch'un	-	-	-	-	7,582	10,800
Totals	1,352,429	1,640,100	2,041,657	2,433,668	4,130,656	7,029,716

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Affiliated mines:

Mine	1937	1938	1939
Shu-lan	-	-	66,769
Hun-ch'un	4,365	16,929	50,581
Ying-ch'eng-tzu	7,708	48,629	119,942
Shan-sung-kang	-	-	8,018
Total	12,073	65,558	245,310

Grand total

1934	1935	1936	1937	1938	1939
1,352,429	1,640,100	2,041,657	2,455,741	4,196,214	7,275,026

Note: the Shu-lan mine field was given to a separate subsidiary company in June 1939. The Hun-ch'un mine field was divided between the parent company and its subsidiary until Dec 1939, when it was handed over entirely to the subsidiary.

Output of other companies

Company	1934	1935	1936	1937	1938	1939
Tohendo					14,817	525,672
Penhsihu	751,656	745,937	753,693	836,821	957,356	973,234
Mantetsu	9,810,038	9,732,890	10,149,421	10,339,346	10,023,503	9,915,492
Others	234,608	288,805	254,732	458,754	782,175	748,412
Total	10,796,302	10,767,632	11,197,846	11,634,921	11,777,851	12,162,810
Total including Mantan	12,148,731	12,407,732	13,239,503	14,080,662	15,974,065	19,437,836
Increase rate %	100	102.1	109	115.9	131.5	160

B. Plans for the future

Plan for future output, 1940 and 1941 (Apr-Mar; unit, 1,000 MT)

Mine	1940	1941	Mine	1940	1941
Fou-hsin	3,969	5,002	Hao-kang	1,709	2,281
Hsi-an	1,909	1,883	Ti-tao	859	1,162
Pei-p'iao	1,335	1,544	Ch'eng-tzu-ho	349	708
Heng-shan	312	720	T'ien-shih-fu	466	518
San-hsing	91	119	Fu-chou	129	168
Cha-lai-no-erh	300	299	Ho-lung	298	212
Tung-ning	89	120	Ai-hun	57	60
Pao-ch'ing	8	6	Hsing-lung	--	20
Total	11,889	14,803			

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Estimate for Jan-Dec 1940	10,752,000 MT
Estimate for Jan-Dec 1941	13,516,000 MT
Actual output Jan-Dec 1940	8,943,000 MT

After 1942 the Second Five-Year Plan for coal will go into effect, with an estimated output of 10,000,000 MT.

Coal output for all Manchuria and the amount exported to Japan 1938-1940 (Apr-Mar reckoning; (unit, 1,000 MT)

Company	1938	1939	1940
Mantan System	4,196	7,275	13,279
Penhsihu	957	973	1,344
Tohendo	15	526	950
Mantetsu System	10,042	9,915	10,000
Others	782	748	1,345
Total	15,974	19,437	26,918
To Japan	1,850	1,187	* 860

*At the beginning of 1940 the estimated amount to be sent to Japan was 1,100,000 MT; the actual shipments during the first half of that year were 460,000 MT; so at the 9 Nov meeting of the planning board it was decided to reduce the amount estimated for the second half from 640,000 MT to 400,000 MT. This made a total for the year of 860,000 MT as above.

Plans for excavation at the important mines, 1940

Fou-hsin Mine Head	Main Shaft	Connecting Galleries
Heian	683.20 m	1,067.70 m
Taihei	807.90	1,138.90
Goryu	638.20	269.70
Kotoku	1,217.50	1,448.10
Shinkyu	1,757.90	1,457.50
Jonan	474.80	264.00
Hachidobo	360.40	274.30
Total	5,939.90	5,920.20
Pei-p'iao Mine Head		
Kwanzan	295.70 m	309.80 m
Daikichi	651.20	546.20
Sampo	477.40	325.10
Total	1,424.30	1,181.10
Hao-kang	2,173.30	2,272.30
Hsi-an	2,228.15	2.249.50
T'ien-shih-fu	1,810.10	1,376.10

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

(Contd)

Pei-p'iao Mine Head		
Ho-lung	1,125.20	794.30
Cha-lai-no-erh	799.90	800.30
Fu-chou	629.20	247.70
Tung-ning	146.50	144.00
San-hsing	486.50	483.00
Totals	16,763.05 m	15,468.50 m

Grand total 32,231.55 m

Capital plans for 1940 (Apr-Mar)

Required capital: (Unit, ¥ 1,000)

	October Revision	August Revision
Expenditure 1940	218,131	167,231
Capital increase	14,669	2,006
Dividends	5,667	9,973
Bond redemption	500	500
Total	238,967	179,710
Provided capital:		
Subscription to stock	100,000	100,000
Mangyo loan	92,922	-
Bank "	18,935	-
Bonds or advanced loans	-	40,000
Profit and indemnity	17,301	11,161
Special receipts	12,309	26,648
Total	241,467	177,809

The above is on the understanding that the Missan Coal Co is not yet established.

Summary of budget for 1940 (Jan-Dec reckoning, including Missan)

Expenditures:	Jan-Jun	Jul-Dec	Total
Sales expense	¥ 33,238,260.18	¥ 45,616,867.08	¥ 78,855,127.26
Investment "	716,624.92	830,760.61	1,548,385.53
Profits	753,216.73	2,517,970.61	3,271,187.34
Total	¥ 34,709,101.83	¥ 48,965,598.30	¥ 83,674,700.13

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

(Contd)

Receipts:

Sales receipts	¥ 34,624,738.30	¥ 48,950,281.74	¥ 83,575,020.04
Investment "	84,363.53	15,316.56	99,680.09
Total	¥ 34,709,101.83	¥ 48,965,598.30	¥ 83,674,700.13

Note concerning profit for 1940:

Accommodation account of 1940, 1st half, charged to 1940, 2d half	¥ 3,880,000
Second half supplies account	2,700,000
Hao-kang mine deficit	1,800,000
Total	8,380,000
Loss balance	¥ 5,862,030

Raised invoice prices for coal

With the output of Sep 1939 as the basis, the government was petitioned for permission to raise the price of coal by ¥2.95 per MT (the invoice price being ¥ 11.087). In June 1940 this was effected as follows:

Invoice prices of unsifted coal at various Mantan mines and the revised market price

Mine	Revised invoice price	Former invoice price	Revised selling price in Hsinking
Fou-hsin	¥ 10.05	¥ 7.00	¥ 15.35
Ch'eng-nan	11.55	10.80	-
Pa-tao-hao	10.05	6.92	14.45
Ti-tao	10.05	8.00	-
Hsi-an	10.05	8.25	15.65
Pei-p'iao	11.50	10.00	16.85
Hao-kang	10.40	8.50	-
Fu-chou	12.43	10.03	16.85
Cha-lai-no-erh	9.60	6.50	-
T'ien-shih-fu	10.00	8.00	15.35
Ho-lung	9.50	8.00	14.75
Tung-ning	9.70	8.77	-
Heng-shan	9.90	8.00	-
Ch'eng-tzu-ho	9.80	8.00	-
Ai-hun	9.00	8.00	-
Average	10.09	7.69	

Note: for Fu-chou average price of special grade # 1 and 2, and slack coal.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Extract from sales agreement with Nichiman Shoji on the basis of the revised prices

"Article 3. Coal to be used by the Showa Steel Co, export coal and coal for steamers' use received by Nichiman Shoji (Japan-Manchuria Trading Co, at Sungari) for sale, shall be subject to the following commission rates:

a. Coal for Showa Steel Co ¥ 0.008 on the sale price
b. Export and steamers' coal 0.025 on the sale price

The method of readjustment of these prices will be agreed upon separately.

Note: the rest of the contract is omitted in translation as of little interest.

Coal invoices and sales standard for all Manchuria

Company	Revised invoice price	Former invoice price	Net profit increase	Selling standard price	Capital balance
Mantetsu system	¥ 10.05	¥ 7.65	¥ 2.40	¥ 11.37	¥ 1.32
Mantan system	10.09	7.69	2.40	9.94	0.15
Tohendo system	9.23	6.83	2.40	7.15	2.08
Others	10.45	8.05	2.40	10.35	0.10
Total [sic]	10.07	7.67	2.40	10.28	0.21

Joint accounting of Manchurian coal exported to Japan (Sep 1939-Mar 1940)

Amount of coal exported to Japan:

By Mantan	178,718.211 MT
By Mantetsu	880,434.664 MT

Selling price of the above:

By Mantan	¥ 3,157,478.94	or	¥ 17.667 per MT
By Mantetsu	15,900,764.44		18.060 " "
Total	¥ 19,058,243.38		¥ 17.993 " "

Invoice price:

Mantan	¥ 1,380,721.55	¥ 7.726 " "
Mantetsu	7,387,700.38	8.391 " "

Freight, etc:

Mantan	¥ 1,412,124.23	¥ 7.901 " "
Mantetsu	6,090,668.23	6.917 " "

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

(Contd)

Commission:

To Nichiman Shoji Mantan	¥ 78,937.18	¥ 0.441 per MT
To Nichiman Shoji Mantetsu	397,519.12	0.452 " "

Total

Mantan	¥ 2,871,782.96	¥ 16.068 " "
Mantetsu	13,875,887.73	15.760 " "

Joint account calculation:

Profit

Mantan	¥ 285,695.98	¥ 1.5985834 " "
Mantetsu	2,024,876.71	2.2998602 " "

Total coal output

Mantan	4,675,955 MT
Mantetsu	6,196,001 "

Preferred dividend (Mantetsu) ¥ 617,428.20

(¥ 2.2998602 - ¥ 1.5985834) x 880,434.664= ¥ 617,428.40

Additional dividend (Mantan) ¥ 728,209.95

$$\frac{¥\ 2,024,876.71 \div 285,695.98 - 617,428.40 \times 4,675,955}{10,871,956} = ¥\ 728,209.95$$

Additional dividend (Mantetsu) ¥ 964,934.34

$$\frac{¥\ 2,023,876.71 \div 285,695.98 - 617,428.40 \times 6,196,001}{10,871,956} = 964,934.34$$

Method of accounting of the pool for exporting coal to Japan

Mantetsu and Mantan:

Total sale price of exported coal minus /Invoice at mine plus freight, plus commission/ equals joint profit.

If Mantetsu's profit per ton is more than Mantan's ditto:

1. Preferred stock dividend (Mantetsu) is Mantetsu's profit per ton minus Mantan's ditto times Mantetsu's exported coal tonnage.

2. Additional dividend (Mantetsu) - joint profit minus preferred dividend - Mantetsu's exported coal tonnage times joint exported coal tonnage.

   Additional dividend (Mantan) - joint profit minus preferred dividend - Mantan's exported coal tonnage times joint exported coal tonnage.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

The establishment of the Missan (Mi-shan) Coal Mining Co
(Includes: Ch'eng-tzu-ho, Heng-shan, Ti-tao, Ma-shan Lin, K'ou mining districts in Missan development)

First call for payment of one half:

Mantan invested in the new company a sum of money which included an amount of money suitable for the various expenses which were paid for the development of the Missan Coal Mine until the establishment of the new company.

In accordance with the above, one part of the Missan Coal Mine was included in the security for the Mantan Company's bonds during the preparations for the establishment of the new company, and this was settled by the guarantee of the Manchurian Government during negotiations between Japan and Manchuria concerning management.

The amount of Nittetsu's responsibility in the case of the establishment of Missan Coal Mining Co was prearranged to be payment of the total investment sum of ¥ 50,000,000 in cash, but when Mantan made its payment on schedule and there appeared a deficit in Nittetsu's net amount of responsibility, Mantan's agreed cash investment of ¥ 23,385,000 was deducted ($\frac{1}{2}$ at the end of Dec 1940 and $\frac{1}{2}$ during Jan to Mar 1941) from the amount, to which about ¥ 10,000,000 of liquid assets were added in the end of 1939 for Mantan's 1940 yearly investment in Missan coal mines.

Capital as of 31 Dec 1940:

Mantan investment	¥ 35,815,000
Mantan payment	11,693,000
Nittetsu guarantee	34,630,000

Capital as of 31 Mar 1941:

Mantan investment	¥ 41,274,000
Mantan payment	23,385,000
Nittetsu guarantee	28,397,000

Revision of the law concerning the Manchurian Coal Mining Co

This revision adds certain provisions to the already existing charter, introducing new terminology such as "Minister for Industry" instead of "Minister for Finance," etc.; also concerning guarantee of bonds etc. It is of no special interest.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

A survey of affiliated companies

Name	Founded	Capital (¥1,000)	Investors	Guar amt (¥1,000)	% of stock	Purpose
Yingch'engtzu Coal Mining Co	Nov 1937	4,000 pd up	Mantan	2,400	60	Mining & sale of coal & related activities
			Others	1,600	40	
Shan-sung-kang Coal Mining Co	Apr 28 1939	2,000 pd up	Mantan	1,200	60	"
			Others	800	40	
Shu-lan Coal Mining Co	Jul 26 1939	15,000 pd up	Mantan	6,000	40	"
			Others	9,000	60	
Hun-ch'un Coal Mining Co	Sep 29 1939	30,000 20,000	Mantan	15,000	50	"
			Toman-Sangyo	15,000	50	
Yu-tung Coal Mining Co	Apr 3 1937	6,000 pd up	Mantan	52.5	0.8	"
			Others	5,947.5	99.2	
Fou-hsin Works	Sep 20 1937	4,000 2,750	Mantan	1,730	43.3	Making tools, mining mach, RRs, chem industry, etc.
			Nomura Gomei	1,730	43.3	
			Others	540	13.4	
Mantan Mine-post Co	Sep 23 1939	5,000 pd up	Mantan	5,000	100	Making, selling mine-posts, telegraph poles, etc.
Mantan Mining Machinery Co	Oct 31 1939	3,500 pd up	Mantan	2,300	65.7	Making and sale of mining equip
			Hasegawa Seisaku	1,200	34.3	
Tohendo Development Co	Sep 1938	140,000 114,650	Mantan	10,000	7.2	Mining, selling iron ore, coal, other ore; making pig iron, secondary products; steel mfgd goods of pure steel
			Penhsihu	1,000	0.7	
			Mangyo	129,000	92.1	
Manshu Oil Conversion Co	Aug 1937	20,000 pd up	Mantan	500	2.5	Making, selling liquid fuel by low temp distillation & hydrogenation; production & sale of by-products
			Manchukuo	10,000	50.0	
			Manshu Kogin	5,000	25.0	
			Others	4,500	22.5	
Manshu Synthetic Fuel, Co	Aug 1937	50,000 40,000	Mantan	3,000	6.0	Making creosote of selling-liquid fuel by gas synthesis, also by-products
			Manchukuo	17,000	34.0	
			Mitsui	17,000	34.0	
			Imp Fuel	10,000	20.0	
			Manshu Oil	3,000	6.0	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

III. MANCHURIA LIGHT METALS MANUFACTURING CO, LTD

Manshu Kei Kinzoku Seizo Kabushiki Kaisha
(Abbreviation, Keikin)

A. Present Condition

Capital (Paid up)	¥ 80,000,000
At founding, 1936	¥ 25,000,000
First increase	25,000,000
Second "	30,000,000
Number of shares	1,600,000
Mangyo	1,574,000
Sumitomo Goshi	16,000
Showa Denko	8,000
Nichiman Aluminum	1,000
Nippon Soda	1,000
Mangyo's investment	¥101,046,444
Capital	¥ 78,700,000
Loans	22,346,444

Present equipment

At Fushun: a 5,000 MT plant in operation and another not to be completed by the end of 1940

At Kugen (Kung-yuan): equipment for mining aluminum shale

At Antung: a partly completed 10,000 MT plant, construction temporarily suspended

Output (Apr-Mar reckoning)	1939	1938
Aluminum	3,257 MT	563 MT
Hydrochloric acid	894 "	366 "
Chloride lime	348 "	102 "
Ferrosilicon	5,005 "	560 "

State of the business

	Receipts	Expenditures	Gain	Loss
1938 2d half	¥ 348,328	¥ 394,843		¥ 45,515
1939 1st "	806,766	1,194,121		387,355
" 2d "	7,283,433	7,251,620	¥ 31,813	
1940 1st "	5,899,174	5,851,689	47,485	
" 2d "	6,661,312	6,607,557	53,753	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Fixed assets (value as of end of 1940) ¥ 55,466,451

Fushun Plant	¥ 41,847,033
Mines	2,521,944
10,000 MT equipment (4th stage)	11,097,474

Investments in related companies (Unit ¥ 1,000)

Company	Authorized Capital	Paid-up Capital	Investor	Amount
Manshu Magnesium	¥ 10,000	¥ 10,000	Kei-Kin	¥ 10,000
Fushun Cement	5,000	5,000	Kei-Kin	2,500
			Mantetsu	2,500
Antung Cement	8,000	6,000	Kei-Kin	8,000
Gifu Cement	2,000	2,000	Kei-Kin	4,000

Note: total capital investments ¥ 18,500,000. A class shares of Antung Cement (¥ 4 million) is a spot goods transaction; and B class shares (¥ 4 million) a cash transaction, ¥ 2,000,000 paid up.

Loans (as of Jan 1941) ¥ 6,318,000

To Manshu Magnesium	¥ 3,200,000
To Antung Cement	3,118,000

Balance sheet (as of 30 June 1940)

Debit		Credit	
Working expense	¥ 34,887,944.64	Capital	¥ 80,000,000.00
Merchandise	761,726.39	Correspondents' loans	5,102,498.71
Goods in stock	10,583,275.81	Loans	264,246.68
Bonds	17,511,568.00	Security deposit	3,213.00
Cash	9,337.14	Employees' savings	420,143.69
Deposits	294,854.56	Fidelity bonds	369,406.42
Correspondents' loans	962,447.63	Mutual benefit account	105.699.14
Guarantee money	30,628.00	Accounts payable	1,247,276.34
Accounts receivable	3,921,390.35	Suspense receipts	280,264.19
Suspense payments	12,814,035.91	Profits (present)	47,484.95
Building account	5,661,966.49		
Bal from prev acct	401,058.20		
Total	¥ 87,840,233.12	Total	¥ 87,840,233.12

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Balance sheet (as of 31 Dec 1940)

Debit		Credit	
Working expense	¥ 44,576,943.16	Capital	¥80,000,000.00
Merchandise	916,747.32	Correspondents'	
Goods in stock	10,984,316.38	loans	21,846,444.14
Negotiable bonds	18,563,493.40	Bonds	20,000.00
Cash	30,112.99	Guarantee money	2,834.13
Deposits	1,387,449.48	Fidelity bonds	504.353.11
Correspondents' loans	6,308,456.02	Employees' savings	443.807.49
Guarantee money	33,368.00	Mutual benefit	
Accounts receivable	2,404,913.88	account	133.478.12
Suspense payments	9,181,643.87	Accounts payable	1,904,049.38
Building fund	10,889,509.81	Suspense receipts	721,806.64
Bal from prev acct	353,573.25	Profits (present)	53,754.55
Total	¥105,630,527.56		¥105,630,527.56

Profit and loss account (1 Jan-30 Jun 1940)

Loss		Profit	
Sales expense	¥ 4,562,917.15	Sales receipts	¥ 5,829,930.50
Management	763,720.50	General "	11,235.51
Interest paid	183,030.72	Interest received	58,008.23
Amortization, etc.	342,020.92		
Profits	47,484.95		
Total	¥ 5,899,174.24		¥ 5,899,174.24

Profit and loss account (1 Jul-31 Dec 1940)

Loss		Profit	
Sales expense	¥ 5,072,761.99	Sales receipts	¥ 6,528,530.26
Management	884,704.39	General "	15,505.83
Interest paid	327,744.77	Interest received	117,276.19
Amortization, etc.	322,346.58		
Profits	53,754.55		
Total	¥ 6,661,312.28		¥ 6,661,312.28

B. Plans for the Future

Plans for increased production

Fushun: 5,000 MT (with present capacity, making a total of 10,000 MT) to be ready by the end of 1940, but part of the processing plant to be finished during 1941.

Kugen: 60,000 MT raw material mining capacity by the end of 1940.

Antung: 10,000 MT plant, begun in 1939 but temporarily abandoned.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Plans for 1940

Fushun: 5,000 MT plant begun in June 1938, scheduled to be finished by the end of 1939; by March 1939, besides the completion of the electric furnace, the following were postponed:

Plant	To begin work	% completed
Electrode	Apr 1940	
Refining	Aug 1940	
Electrolysis	Oct 1940	
Plastic	Sep 1940	
Cryolite	May 1941	40
" collection	May 1941	65
Basic material	Apr 1941	70
Casting	Early 1942	35

Mining connections

Aluminum shale is excavated at Shoshi (Hsiao-shih) and Gyushindai (Niu-hsin-t'ai); limestone at Tochishi (T'ang-ch'ih-tzu) and Sokako (Ts'ao-ho-k'ou). The equipment in these places is to be enlarged, except at Tochishi.

Note: above parens are Chinese readings.

Capital plans for 1940 (Unit ¥1,000)

Needed funds for:	Revised Oct	Revised Aug
Fushun plant	¥ 20,803	¥ 21,803
Antung expansion (10,000 MT increased pro)	3,076	4,076
Mining	4,473	4,473
Investment in:		
Manshu Magnesium	5,700	4,700
Antung Cement	6,391	5,000
Manshu Carbon Industry	625	625
Total	¥ 33,519	¥ 32,128
Plans for supply funds:		
Investment by Mangyo	¥ 30,195	¥ 26,725
Capital subscriptions (others)	75	75
Balance from last year	861	861
Profits	694	4,433
Special receipts	1,815	- -
Total	¥ 33,640	¥ 32,094

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Production in 1940

	Estimated Apr-Mar	Actual Jan-Dec
Aluminum	4,444 MT	4,035 MT
Ferrosilicon	4,000 "	6,253 "
Hydrochloric acid	600 "	890 "
Chloride lime	200 "	230 "

Receipts and expenditures, 1940

Sales receipts:	First half Received	First half Paid	Second half Received	Second half Paid
Aluminum	¥ 5,032,712.89		¥ 5,931,283.63	
Hydrochloric	66,174.78		58,907.64	
Chloride lime	23,102.87		15,394.80	
Ferrosilicon	670,554.06		436,667.25	
Misc sales	37,135.80		85,509.97	
Misc receipts	250.10		766.97	
Sales expenses				
General expenses		¥ 50,221.98		¥ 59,313.39
Aluminum production cost		3,934,941.30		4,676,438.29
Aluminum misc expenses		7,908.68		9,846.95
Misc goods prod cost		459,371.70		221,718.30
Misc goods misc cost		100,414.28		89,465.85
Special grants		10,059.21		15,979.21
Total	¥ 1,267,013.35		¥ 1,455,768.27	
Management:				
Various receipts	11,235.51		15,505.83	
General expenses		584,912.86		549,342.59
Research expenses		92,805.40		166,500.46
Special grants		86,002.24		168.861.34
Total		752,484.99		869,198.56
Interest:				
Interest received	58,008.23		117,276.19	
Interest paid		183,030.72		327,744.77
Total		125,022.49		210,468.58
Amortization, etc.		342,020.92		322,346.58
Profits	47,484.95		53,754.55	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Aluminum production costs, 1940

Manufacture:	First half Total exp	First half Exp per MT	Second half Total exp	Second half Exp per MT
Moulding (?)	¥ 2,690,957.78	¥ 1,644.97	¥ 4,539.540.21	¥ 1,892.61
Miscellaneous	600,240.81	366.92	390,243.70	162.70
Depreciation	13,700.18	8.37	42,172.24	17.58
Less misc rect	-37,218.83	22.75	-124,400.52	51.86
Total	3,267,679.94	1,997.51	4,847.555.63	2.021.03
Indirect expenses:				
Management	752,484.99	459.99	869,198.56	362.39
Interest paid	125,022.49	76.43	210,468.58	87.75
Total	877,507.48	536.42	1,079,667.14	450.14
Amortization, etc:				
Construction	321,544.89	196.56	320,269.89	133.52
Gen amortization	17,233.18	10.53		
" depreciation	3,242.85	1.98	2,076.69	.87
Total	342,020.92	209.07	322,346.58	134.39
Grand total	¥ 4,487,208.34	¥ 2,743.00	¥ 6,249,569.35	¥ 2,605.56

Note: amortization of manufacturing equipment is not included.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

IV. Manchuria Mining Co, Ltd
Manshu Kozan Kabushiki Kaisha
(Abbreviation, Manzan)

Mines of the Manchuria Mining Co, Ltd and Affiliated Companies

Fou-hsin	Cha-lai-no-erh	Ai-hun
Hao-kang	Tung-ning	Pao-ch'ing
Ti-tao	Heng-shan	Shu-lan
Fu-chou	Ch-eng-tzu-ho	Hsing-lung
T'ien-shih-fu	San-hsing	Ch'eng-nan
Ho-lung	Hun-ch'un	Yu-tung
Hsi-an	Ying-ch'eng-tzu	Pa-tao-hao
Pei-p'iao	Shan-sung-kang	

A. Present Condition

Capital (Paid up) ¥ 100,000,000

At founding, Feb 1938	¥ 50,000,000
1st increase, Dec 1939	50,000,000

Shares (all held by Mangyo) 2,000,000

Mangyo's investment (as of the end of Jan 1941)

Shares	¥ 100,000,000
Loans	15,833,122

Borrowed (by note from Nomura Shoken) 500,000

Present equipment

Place	Equipment	Condition
Hsiao-shih-t'ou	1-5 cu ft gold digging boat	Working since May 1939
(alluvial gold)	1-15 " " " " "	Working since May 1940
Chia-p'i-kou	Ore dressing & refining plant	Working since Apr 1940
(gold mine)	Treating 1,500 MT per month	Working since Apr 1940
	Treating 3,000 MT per month	Idle since Jan 1941
Ch'ing-ch'eng tzu	Ore dressing station	
	Treating 3,000 MT per month	Working since Jan 1940
(silver & lead mine)	Treating 3,000 MT per month	Working since Sep 1940

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Tao-liu-shui (gold mine)	#1 ore dressing station Treating 3,000 MT per month	Working since Jul 1940
Fen-shui (gold and silver mine)	Ore dressing station Treating 5,000 MT per month	Began Feb 1941
Hsin-ching	Research, analysis, experiment station	Completed
	Temporary school for technicians	Completed

Production and sales, 1939 (Apr-Mar)

Mine	Product	Unit	Output	Sale amt	Sale Price
Hsiao-shih-t'ou	Gold (alluv)	gr	397,902	402,893	¥ 1,594,159
T'u-men-tzu	" "	"	28,998	28,857	114,803
Tao-liu-shui	" (mine)	"	9,870	9,870	38,000
Fen-shui	" "	"	19,358	11,246	47,359
K'ai-shan-t'un	" "	"	49.213	50,134	199,463
Ch'ing-ch'eng-tzu	Silver	"	1,598,658	1,364,199	251,095
"	Lead	kg	557,708	542,290	
Fu-jung	Copper	"	1,085	-	-
Others	Gold (alluv)	gr	43,651	43,036	176,770
Totals	Gold (alluv)	"	470,551	474,786	¥ 1,885,732
	" (mine)	"	78,441	71,250	284,822
	Silver	"	1,598,658	1,364,199	251,095
	Lead	kg	557,708	542,290	
	Copper	"	1,085	-	-
Total value					¥ 2,421,649

Note: output figures are for the refined metal.

State of the business

Period	Receipts	Expenditures	Gain	Loss	Opening Exp
1937 2d half	¥ 47,876	¥ 80,345		¥- 32,469	¥
1938 1st half	1,930,062	2,860,412		930,350	
" 2d half	917,934	2,240,388		1,322,454	468,548
1939 1st half	1,568,041	2,986,700		1,418,659	1,146,778
" 2d half	2,294,449	3,333,525		1,039,076	1,488,213
1940 1st half	4,047,446	3,910,100	¥ 137,346		1,407,917

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Details, receipts and expenditures
(1940, 1st half)

Mine	Receipts	Expenditures	Gain	Comparing '39 2d half Loss	Gain	Loss
Hsiao-shih-t'ou (alluv gold)	¥506,145.31	¥714,741.65		¥208,596.34		¥355,500
Ch'un-hua (alluv gold)	56,136.45	97,684.65		41,548.20		89,478
Chuang-ho (alluv gold)	70,575.26	73,156.35		2,581.09		11,107
K'ai-shan-t'un	108,560.04	84,722.05	¥ 23,837.99		¥31,632	
Tao-liu-shui	126,361.99	172,506.32		46,144.33		-----
Fen-shui	169,199.15	20,338.06	148,861.09		35,312	
Ch'ing-ch'eng-tzu (lead)	952,614.79	580,461.28	372,153.51			20,451
Fujung (copper)	20,540.82	8,127.39	12,413.43			287
Totals	¥2,010,133.81	¥1,751,737.75	¥258,396.06			¥409,879

Fixed assets (as of Sep 1940)

Mines:

Hsiao-shih-t'ou	¥ 15,762,686
Ch'ing-ch'eng-tzu	9,210,407
Tao-liu-shui	4,753,818
Ch'un-hua	2,868,532
Fen-shui	2,276,802
K'ai-shan-t'un	375,668
Ta-hei-shan	321,226

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Fixed assets (as of Sep 1940) (Contd)

Lao-chin-ch'ang (deep)	2,071,795
Fu-jung	786,754
Ch'eng-pei	579,207
Pao-ma-ch'uan	362,274
Niu-hsin-shan	397,604
Chin-ch'ang-kou-liang	296,870
Tu-shan	243,201
Huan-jen	218,424
Chuang-ho	125,710
Chin-ch'eng-tung	110,162
T'ai-p'ing-kou	108,500
Wan-pao	97,264
Hsiu-nan	87,282
Ch'ing-po-hu	66,486
Sa-chin-kou	54,371
Others	157,613
Offices (branch)	51,725
Offices (main)	7,914,000
Research stations (Union acct)	1,141,743
Chia-pi-kou	8,015,448
K'uang-tung-kou	213,956
Mu-leng	569,059
Hsiao-ling	151,848
Subtotal	¥ 59,300,435
Building suspense payments	5,801,151
Grand total	¥ 65,101,586

Investments in related companies
(as of 31 Jan 1941)

Manshu Lead Mining	Shares	¥ 8,906,506.72
	Loans	10,252,778.87
Manshu Special Iron Mining	Shares	5,000,000.00
	Deposit	4,803,291.69
Manzan Seisakusho	Shares	500,000.00
	Deposit	226,419.70

Balance Sheet (as of 30 Sep 1940)

Debit		Credit	
Unpaid capital	¥ 10,000,000.00	Capital	¥ 100,000,000.00
Mining property	50,350,124.00	Misc deposits	959,719.54
Half finished goods	23,262.74	Accts payable	1,831,968.15
Mine fields	399,792.99	Suspense payments	15,466,526.65
Stored goods	12,026,223.50	Bills payable	500,000.00
Accts receivable	5,793,057.84	Profits	137,345.96
Suspense payments	7,060,495.38		
Establishment expenses	25,000.00		

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Balance Sheet (as of 30 Sep 1940) (Contd)

Investments	7,402,267.97	
Union acct	8,950,312.20	
Securities	11,504,555.72	
Deposits	494,608.64	
Cash	122,849.48	
Bal fm prev acct	4,743,009.84	
Total	¥ 118,895,560.30	¥ 118,895,560.30

Profit and loss account (Apr-Sep 1940)

Loss		Profit	
Establishment expenses	¥ 6,500.00	Receipts from products	¥ 2,394,770.31
Running expenses	2,149,919.66		
Office expenses	1,511,210.48	Misc receipts	1,652,675.79
Amortization	242,470.00		
Profits	137,345.96		
Total	¥ 4,047,446.10		¥ 4,047,446.10

B. Plans for the Future

Estimated output 1943

Gold	5,046 kg	Zinc	1,155 MT
Silver	34,961 "	Iron sulphide	12,000 "
Copper	1,205 MT	Antimony	268,800 "
Lead	14,448 "		

(Based on data of 22 Feb 1941)

Plans for 1940

Mine	Equipment	Begun	Completed	Capacity
Hsiao-shih-t'ou (alluvial gold)	10 cu ft mining boat	Apr '40	May '41	139.6 kg
	" " " " "	May '41	" '41	180.0 "
	" " " " "	Aug '41	" '42	188.4 "
	7.5 cu ft " "	Aug '41	" '42	111.6 "
	6 cu ft " "	Apr '40	Jul '41	109.2 "
	Steam shovel	Jun '40	Apr '41	28.0 "
Ch'un-hua	6 cu ft mining boat	Apr '40	Jul '41	95.2 "
	Steam shovel	Dec '40	Jun '41	32.0 "
	Hydraulic machinery	Apr '40	Aug '41	120.0 "

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Plans for 1940 (Contd)

Mine	Equipment	Begun	Completed		Capacity
Mu-leng (alluvial gold)	10 cu ft mining boat	Jul '41	May '42		193.0 kg
	6 " " " "	Jul '41	May '42		120.0 "
Tao-liu-shui (gold and silver)	#2 Refining and dressing plant (3,000 MT per month)	Jan '40	Jul '41	gold silver	261.7 " 414.0 "
Niu-hsin-shan (gold and silver)	#2 Refining and dressing plant (5,000 MT per month)	Jul '40	Dec '41	gold silver	545.4 " 380.0 "
Fu-jung (copper)	Ore dressing station (5,000 MT per month)	Sep '39	May '41		753.3 "

Note: "Begun 1940" means "carried over to 1941."

Work on the Fu-jung dressing station is discontinued. Besides those mentioned in the above list, the following will be completed in the 1940 period:

Chia-pi-kou	Dressing and refining plant (1,500 and 3,000 MT)
Tao-liu-shui	#1 dressing and refining plant (3,000 MT)
Fen-shui	Ore dressing plant (5,000 MT)
Ch'ing-ch'eng-tzu	#2 ore dressing plant (3,000 MT)

Capital plans for 1940 (Apr-Mar)

Needed	Revised Oct '40	Revised Aug '40
Running expenses	¥ 22,642,000	¥ 19,892,000
Investment	12,319,000	5,400,000
Special iron ore	6,725,000	-
Others	5,594,000	5,400,000
Loan repayment	1,000,000	1,000,000
Loss	-	2,054,000
Total	¥ 35,961,000	¥ 28,346,000

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Provision	Revised Oct '40	Revised Aug '40
Balance forward	¥ 177,000	¥ -
Capital subscriptions	20,000,000	20,000,000
Mangyo loan	13,533,000	8,346,000
Manshu Mining Co	6,808,000	8,346,000
Special iron	6,725,000	-
Profits	2,124,000	-
Other receipts	127,000	-
Total	¥ 35,961,000	¥ 28,346,000

Production and sales, 1940

Mine	Product	Unit	Est Amt	Apr-Mar Value	Performance Amount	Jan-Dec Value
Hsiao-shih-t'ou	Allv gold	g	647,200	¥2,847,715	221,084	¥ 851,175
	Silver	"	-	-	50,015	1,000
Mu-leng	Allv gold	"	43,900	193,173	50,571	194,799
	Silver	"	-	-	15,937	319
Chuang-ho	Allv gold	"	53,900	236,922	32,489	125,083
Ch'un-hua	Allv gold	"	71,100	312,950	20,167	77,545
Chia-pi-kou	Mine gold	"	624,200	2,746,497	94,299	363,430
	Silver	"	630.400	26,477	63,998	2,128
	Amalgam	"	-	-	317,257	364,640
	Copper	kg	-	-	16,272	25,735
Fen-shui	Mine gold	g	147,500	648,877	74,410	271,568
	Silver	"	593,400	24,922	176,178	7,408
	Copper	kg	-	-	5,357	7,982
K'ai-shan t'un	Mine gold	g	47,000	206,976	49,819	191,804
Tao-liu-shui	Mine gold	g	283,600	1,247,875	13,561	52,023
	Silver	"	448,500	18,837	15,119	462
	Copper	kg	-	-	883	1,316
Ch'ing-ch'eng-tzu	Silver	g	4,932,900	207,181	6,017,478	253,054
	Lead	kg	4,819,500	2,747,115	2,576,937	1,465,876
Fu-jung	Copper	"	-	-	38,833	57,861
Others	Aluv gold	g	-	-	1,041	4,007
	Silver	"	-	-	15,454	372
	Lead	kg	-	-	17,803	10,142

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Production and sales, 1940 (Contd)

Mine	Product	Unit	Est Amt	Apr-Mar Value	Performance Amount	Jan-Dec Value
Totals	Aluv gold	g	816,100	¥3,590,760	325,352	¥1,252,609
	Mine gold	"	1,102,300	4,850,225	232,089	878,825
	Silver	"	6,605,200	277,417	6,354,179	264,743
	Amalgam	"	-	-	317,257	364,640
	Lead	kg	4,819,500	2,747,115	2,594,740	1,476,018
	Copper	"	-	-	61,345	92,894
Total # value					¥11,465,517	¥4,329,729

Note: output figures are for the refined metal, and the amount produced is same as the amount sold.

Estimated receipts and expenditures, 1940

	Apr-Sep 1940	Oct 1940-Mar 1941
Receipts:		
Sale of products	¥ 2,394,770	¥ 4,615,267
Miscellaneous receipts	1,652,676	1,169,170
Total	¥ 4,047,446	¥ 5,784,437
Expenditures:		
Amortization (mine property)	242,470	-
Amortization (foundation expense)	6,500	6,500
Running expenses	2,149,920	3,669,447
Office expenses	1,511,210	1,543,957
Total	¥ 3,910,100	¥ 5,219,904
Profit balance	137,346	564,533

Note: the amounts for Oct and Nov 1940 are actual; succeeding amounts are estimated.

Estimated receipts and expenditures, 1941-1943 (Calendar years)

	1941	1942	1943
Receipts:			
Sale of products	¥ 13,485,212	¥ 23,982,333	¥ 34,623,970
Miscellaneous receipts	1,046,012	1,046,012	1,046,012
Total	¥ 14,531,224	¥ 25,028,345	¥ 35,669,982

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Estimated receipts and expenditures, 1941-1943 (Calendar years) (Contd)

Expenditures:	1941	1942	1943
Amortization (foundation exp)	¥ 13,000	¥ 13,000	¥
Running expenses	8,259,357	13,491,771	19,157,506
Office expenses	2,135,682	2,135,682	2,135,682
Interest paid	496,800	496,800	496,800
Total	¥ 10,904,839	¥ 16,137,253	¥ 21,789,988
Profit balance	3,626,385	8,891,092	13,879,994
Amortization (mines)	931,500	1,371,300	2,418,900
Tax on profits	330,951	923,483	1,407,503
Total	1,262,451	2,294,783	3,826,403
Clear Profit	¥ 2,363,934	¥ 6,596,309	¥ 10,053,591

Note: the above table was compiled from the Feb 1941 results. The relation between capital and property was regulated.

Related companies

Name	Date of founding	Capital (¥1,000)	Investor	Amount	Per cent	Purpose
Manzan Works (Manzan Seisakusho)	Nov 1939	1,000 (500) auth paid up	Manzan	1,000	100	Making, repairing machinery and tools; construction
Jehol Mining Company	Oct 1935	600 (300) auth paid up	Manzan	600	100	Sale of machinery and related enterprises, mining, refining and sale
Ch'ang-ch'eng Gold Mining Company	Aug 1935	300 auth paid up	Manzan Others	298.6 1.4	99 1	Mining and sale
Hsiu-yen Mining Co	Sep 1935	1,000 (700) auth paid up	Hatano Ueda Manzan Others	67.5 55 50 727.5	6.7 5.5 5. 72.8	Mining, refining, etc.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

V. Eastern Regions Development Co, Ltd.

Tohendo Kaihatsu Kabushiki Kaisha
(Abbreviation, Tohendo)

A. Present Condition

Capital

Authorized	¥ 140,000,000
Paid up	114,650,000
At foundation	30,000,000
1st increase 1939	45,000,000
2d increase 1940	65,000,000

Shares ¥ 2,800,000

Mangyo	2,580,000
Mantan	200,000
Penhsihu	20,000

Mangyo's investment ¥ 107,851,037

Shares	103,650,000
Loans	4,201,037

Note: total shares include ¥ 10,000,000 from Mantan Keiyu.

Present equipment (as of Sep 1940)

Coal:

T'ieh-ch'ang-tzu
Wu-tao-chiang
Pa-tao-chiang
Yen-t'ung-koi

Mining equipment

Galleries	73,105 m
Exposed beds	738,734 cu m

Transportation

Loading lines	102,569 m
Private RR	9,321 m

Iron ore:

Ta-li-tzu-kou
Ch'i-tao-chiang

Mining equipment

Galleries	12,945 m
Exposed beds	385,215 cu m

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Present equipment (as of Sep 1940) (Contd)

Transportation

Loading lines	46,628 m
Private RR	16,000 m

Erh-tao-chiang Iron Works:

Electric power station	15,000 kw to be finished Jun '41
Ground levelling	
Cleared land	780,000 cu m (completed)
Filled land	741,000 cu m (completed)

Production and sales, 1939 (Apr-Mar)

Mine	Production	Sales
Coal:	(1,000 MT)	(1,000 MT)
T'ieh-ch'ang-tzu	203	122
Wu-tao-chiang	156	43
Pa-tao-chiang	90	39
Yen-t'ung-kou	77	5
Total	526	209
Iron ore:		
Ta-li-tzu-kou	58	9
Ch'i-tao, Chiang	201	122
Total	259	131

State of the business

Period	Receipts	Expenditures	Gain	Loss
1938 1st half	¥ 21,107	¥ 24,766		¥ 3,659
" 2d half	69,231	72,103		12,872
1939 1st half	304,346	325,221		20,875
" 2d half	4,862,464	5,804,593		942,129
1940 1st half	5,596,403	6,460,437		864,034

Receipts and expenditures in the iron ore branch (Apr-Sep 1940)

Receipts:	Total	Ta-li-tzu-kou	Ch'i-tao-chiang
For ore	¥ 1,252,587.15	¥ 671,068.39	¥ 581,518.76
Misc rects	1,028,152.21	644,365.97	383,786.24
Total	2,280,739.36	1,315,434.36	965,305.00

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Receipts and expenditures in the iron ore branch

(Apr-Sep 1940) (Contd)

Expenditures:	Total	Ta-li-tzu-kou	Ch'i-tao-chiang
Wages	¥ 1,443,167.56	¥ 888,130.42	¥ 555,037.14
Material	586,728.65	252,197.50	294,531.15
Repairs	44,852.53	15,400.61	29,451.92
Misc exp	135,644.27	79,090.44	56,553.83
Amortization	-	-	-
Special grants	70,346.35	40,615.39	29,730.96
Total	¥ 2,280,739.36	¥ 1,315,434.36	¥ 965,305.00

Receipts and expenditures in the coal branch

(Apr-Sep 1940)

Receipts:	T'eih-ch'ang-tzu	Wu-tao-chiang	Pa-tao-chiang	Yen-t'ung-kou
For coal	¥ 891,237.92	¥ 398,385.11	¥ 500,803.43	¥1,854,132.21 ¥ 63,705.75
Misc rects	440,740.28	522,659.89	494,340.40	1,818,240.99 360,500.42
Total	¥1,331,978.20	¥ 921,045.00	¥ 995,143.83	¥3,672,373.20 ¥424,206.17
Expenditures				
Wages	854,095.56	527,291.14	485,977.87	2,161,047.49 293,682.92
Material	391,920.36	317,225.49	351,558.67	1,146,416.58 85,712.06
Repairs	16,748.03	10,142.28	7,676.59	40,372.25 5,805.35
Misc	28,978.53	40,082.59	117,895.59	200,272.68 13,315.97
Amortization	-	-	-	-
Special grants	40,235.72	26,303.50	32,035.11	124,264.20 25,689.87
Total	¥1,331,978.20	¥ 921,045.00	¥ 995,143.83	¥3,672,373.20 ¥424,206.17

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Receipts and expenditures for miscellaneous goods
(Apr-Sep 1940)

Receipts:	Total	T'ieh-ch'ang-tzu	K'uan-tung-tzu
For ore	¥ 197,226.78	¥ 141,418.06	¥ 55,808.72
Misc rects	552.24	-	552.24
Total	197,779.02	141,418.06	56,360.96
Expenditures:			
Wages	56,991.22	17,267.76	39,723.46
Material	134,666.44	122,991.05	11,675.39
Repairs	1,189.33	1,159.25	30.08
Misc	2,678.75	-	2,678.75
Amortization	-	-	-
Special grants	2,253.28	-	2,253.28
Total	197,779.02	141,418.06	56,360.96

Fixed assets (as of 30 Sep 1940)

Iron mines:	¥ 18,916,096
Ta-li-tzu	11,520,309
Ch'i-tao-chiang	7,374,671
K'uan-tung-tzu	21,116
Coal mines:	24,835,199
T'ieh-ch'ang-tzu	9,244,449
Wu-tao-chiang	6,132,254
Pa-tao-chiang	4,887,621
Yen-t'ung-kou	4,560,875
Iron works:	13,399,412
Elec power plant	2,118,639
Water works	1,459,683
Misc equipment	3,896,572
Construction preparations	2,966,836
Others	2,957,682
Misc equipment:	5,578,587
Residences	2,562,913
Land	433,998
Misc	2,345,241
Others	236,435
Construction	5,578,340
Grand total	¥ 68,307,634

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Details of the iron works total

Buildings		¥ 2,742,211
Machinery		1,693,745
Structures		5,234,971
Coke plant		269,434
Power equipment		660,785
Residential	Business relations	132,079
Misc		2,716,470
Water works		1,456,203
Electric lines		101,434
Railways		475,683
Signals		2,724
For construction		2,966,837
Land		181,807
Total		13,399,412

Balance sheet (as of 30 Sep 1940)

Debit		Credit	
Fixed assets:		**Short term obligations:**	
Iron mines	¥ 18,916,096.31	Correspondents' loans	¥ 5,794.50
Coal mines	24,835,199.88	Accounts payable	2,680,516.28
Iron works	13,399,412.11	Deposits	1,147,171.87
Misc equipment	5,578,587.05		
For construction	5,578,339.00		
Liquid assets:		**Misc accounts:**	
Products	2,819,597.59	Suspense receipt	1,799,587.40
Stored goods	17,557,659.08	Money recd as security	2,000.00
Accounts receivable	3,451,369.84	Mutual benefits accounts	74,477.33
Securities	2,000.00		
Deposits	701,637.76		
Cash	93,374.21	**Stockholders' account:**	
Misc accts:		Capital	140,000,000.00
Suspense payments	13,217,034.65		
Money deposited as sec	10,213.75		
Distributing sta accts	654,955.66		
Stockholders' acct:			
Unpaid capital	37,050,000.00		
Bal fm prev acct	979,536.14		
Loss, this period	864,034.35		
Total	¥145,709,547.38		¥145,709,547.38

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Profit and loss account (1 Apr-30 Sep 1940)

Loss:		Profit:	
Sales expense	¥ 4,319,700.26	Sales receipts	¥ 5,566,434.29
Running expense	1,908,553.27	Misc receipts	24,304.98
Interest paid	228,183.27	Interest received	5,663.18
Amortization	4,000.00	Loss this period	864,034.35
Total	¥ 6,460,436.80		¥ 6,460,436.80

Details of present equipment (as of Sep 1940)

Coal:

Mining equipment

Extent of galleries 73,104.60 m

T'ieh-ch'ang-tzu	36,337.05 m
Wu-tao-chiang	19,618.35
Pa-tao-chiang	8,952.76
Yen-t'ung-kou	8,196.44

Exposed beds 738,734.17 cu m

T'ieh-ch'ang-tzu	228,567.05 cu m
Wu-tao-chiang	223,319.55
Pa-tao-chiang	286,847.57
Yen-t'ung-kou	-

Transportation

Loading lines 102,569.3 m

T'ieh-ch'ang-tzu	39,796.8 m
Wu-tao-chiang	21,756.5
Pa-tao-chiang	24,416.0
Yen-t'ung-kou	16,600.0

Private railways 9,321 m

T'ieh-ch'ang-tzu (from the T'ung-chi line)	2,679 At T'ieh-ch'ang-tzu
Wu-tao-chiang (from Ya-ta line)	1,364 At Tao-ch'ing
Pa-tao-chiang (from the Ya-ta l)	3,449 At Lao-kuan
ditto	1,829 At Shih-jen-kou
Wu-tao-chiang (building)	(2,000) At Ku-yuan
Yen-t'ung-kou	(13,700) At Lin-chiang

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Details of present equipment (as of Sep 1940) (Contd)

Power equipment	Per month	From T'ieh-ch'ang-tzu
T'ieh-ch'ang-tzu	125,000 kw	1,000 kwh power sta
Wu-tao-chiang	89,000 kw	1,000 kwh power sta
Pa-tao-chiang	400 kwh	A 16 kwh power sta almost finished
Yen-t'ung-kou	392 "	192 kwh of its own 200 kwh 200 supplied

Iron mines:

Mining equipment

Galleries		12,944.90 m
Ta-li-tzu-kou	9,262.75	
Ch'i-tao-kou	3,682.15	
Exposed beds		385,214.67 cu m
Ta-li-tzu-kou	177,736.76 cu m	
Ch'i-tao-kou	207,477.91	

Transportation

Loading lines		46,628.0 m
Ta-li-tzu-kou	27,628.0	
Ch'i-tao-kou	19,000.00	
Private railways		16,000 m
Ta-li-tzu-kou (from the Ya-ta line)	3,699 m	At Ta-li-tzu-kou
Ch'i-tao-kou (from the T'ung-chi line)	12,301	At Kuo-sung

Power

Ta-li-tzu-kou	680 kwh	200 kwh from the 1,200 kwh power plant at Yen-t'ung-kou 480 kwh from its own 200 kwh power plant
Ch'i-tao-kou	120,000 kw	From T'ieh-ch'ang-tzu 1000 kwh power plant

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Erh-tao-chiang Iron Works:

Land (site)	13,488,845 sq m	Value	¥ 181,807
Prepared land (ground levelling)			(End of 1940)
Transportation			239,889
Platforms	161 m		
Filled land	88,749 cu m		
Cleared land	140,951 cu m		
Power plant			1,829,150 (Completed)
Filled land	834,708 cu m		
Cleared land	783,075 cu m		
Special steel plant			451,796 (Completed)
Filled land	27,000 cu m		
Roads	480 m		
Coke plant			(57% completed)
Filled land	24,213 cu m		37,386
Coal storage			(Completed)
" Filled land	61,668 cu m		179,333
Water works			
Filled land	100,892 cu m		
Excavated	100,892 cu m		
Storehouses			169,676 (Completed)
Filled land	145,773 cu m		
Cleared land	53,026 cu m		
Resurfaced	12,122 cu m		
Welfare equipment			167,231
Total expense payable			¥ 3,423,040
Private railway (as of Sep 1940)	4,801 km		¥ 145,526
Temporary power plant for use in construction	534 kva (Sep 1940)		47,475
Total			¥ 3,797,848

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

B. Plans for the Future

Increased output

Iron ore: (1000 MT)	1940	1941	1942	1943	1945	1946
Ta-li-tzu	300	500	750	950	1,200	1,500
Ch'i-tao-kou	250	300	400	400	400	400
Total	550	800	1,150	1,350	1,600	1,900
Coal: (1000 MT)						
T'ieh-chang-tzu	270	300	400	400	400	400
Pa-tao-chiang	310	450	600	800	1,000	1,200
Yen-t'ung-kou	100	300	400	600	800	800
Wu-tao-chiang	270	300	450	500	600	600
Others	-	-	150	400	600	800
Total	950	1,350	2,000	2,700	3,400	3,800

Iron and steel

	Capacity (per year)	Estimated time of completion
Pig iron (elec furnace)	1,200 MT	End of 1940
Pig iron (ordinary)	175,000 "	End of 1942
Carbon steel material	600 "	End of 1941
Alloyed steel material	400 "	End of 1941
Carbon steel ingots	1,080 "	" " "
Alloyed steel ingots	720 "	" " "
Steel (elec furnace)	93,600 "	End of 1943
Steel (converter)	157,000 "	End of 1942
Dressed coal	250,000 "	First of 1942
Coke	160,000 "	End of 1942

Plans for 1940 with estimated output

Coal:

Mining equipment		Output
Open shafts	21	660,000 MT coal
Exposed beds	426,000 cu m	290,000 MT coal

Transportation

Loading lines	2 km
Hoisting cable	55.5 km
Hoisting drums	8 units
Hoisting wheels	1,104
Private railway	19.33 km
Repair shops	5 units

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Iron ore:

Mining equipment

Open shafts	25	327,000 MT
Exposed beds	163,000 cu m	223,000 MT

Transportation

Private railway	4 km
Hoisting cable	19,5 km
Compressors	11 units
Wheels	403 units

Repair shop

Erh-tao-chiang Iron Works:

Special steel plant

Electric furnace (steel)	3 MT capacity	1 unit (by Mar 1941)
Electric furnace (pig iron)	4 " "	1 unit (by Mar 1941)
	15 " "	4 unit (by Mar 1941)
Converter	100 " "	1 unit (by Jun 1941)
Electric furnace	15 " "	3 unit (by Apr 1941)
Electric furnace	10 " "	2 unit (by Jun 1941)

Coke plant

Otto (?) method 16 MT coke furnace and other equipment; ordered and on the way, Dec 1941.

Coal dressing plant

Pneumatic coal dressing machinery and appurtenances, Feb 1941.

Electric power

15,000 kw (out of 30,000 kw) to be completed Jun 1941, and the remaining 15,000 kw Apr 1943.

Transportation

RR siding earthwork	78,400 cu m
RR siding	4,760 m

Machine plant

Casting shop; repair shop for autos; building completed, and important tools and machinery installed.

Company residences; bridges; water works, etc.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Estimated output, 1940 (Unit, 1000 MT)

Iron ore:	First plan	Second plan
Ta-li-tzu	300	144
Ch'i-tao-kou	250	100
Total	550	244
Coal:		
T'-ieh-ch'ang-tzu	270	140
Wu-tao-chiang	270	135
Pa-tao-chiang	310	150
Yen-t'ung-kou	100	61
Total	950	486

Capital plans for 1940

Needed capital: (¥1,000 Unit)	Revised October	Revised August
Running expenses	¥ 47,796	¥ 47,796
Iron ore branch	10,274	10,274
Coal branch	16,364	16,364
Iron works	17,206	17,206
Office	3,452	3,452
Increased transportation expense	921	704
Total	¥ 48,717	¥ 48,500
Provision:		
From Mangyo	47,000	47,000
From bank loan	650	-
Balance from last account	1,332	1,332
Total	48,982	48,332

Sales receipts and production costs

Iron ore:

	Receipts per MT	Cost per MT	Profit per MT	Investment per MT
1940	¥ 16.00	¥ 9.50	¥ 6.50	
1941	15.35	10.25	5.10	
1942	15.09	9.48	5.61	
1943	15.14	8.71	6.43	
1944	14.65	8.75	5.90	
1945	14.11	8.25	5.85	¥ 27.28

NOTE: Office expense and amortization not included.

RESTRICTED

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Coal:

	Receipts per MT	Cost per MT	Profit per MT	Investment per MT
1940	¥ 10.00	¥ 7.50	¥ 2.50	
1941	10.00	8.00	2.00	
1942	10.00	7.50	2.50	
1943	10.00	7.00	3.00	
1944	10.00	6.50	3.50	
1945	10.00	6.50	3.50	¥ 24.98

Iron works:

Electric pig iron

1941	200	187.30	12.70

Steel material

1942	690	621.58	68.42
1943	690	621.58	68.42
1944	690	621.58	68.42
1945	690	621.58	68.42

Electric iron

1941	260	245.10	14.90
1942	260	211.20	48.80
1943	260	211.20	48.80

Steel (elec furnace)

1944	260	156.43	103.57
1945	260	156.43	103.57

Steel (converter)

1942	160	106.85	53.15
1943	160	106.85	53.15
1944	160	106.85	53.15
1945	160	106.85	53.15

Coke			Loss per MT
1942	10	35.06	¥ 25.06
1943	10	35.06	25.06
1944	10	35.06	25.06
1945	10	35.06	25.06

NOTE: Coal dust unfit for use by the company is sold.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Iron ore: Estimated income and expenditure

	Sales receipts	Sales expense	Profit balance
1940	¥ 4,000,000	¥ 2,375,000	¥ 1,625,000
1941	12,295,000	8,200,000	4,095,000
1942	17,435,000	10,900,000	6,535,000
1943	19,575,000	11,750,000	7,825,000
1944	22,800,000	14,000,000	8,800,000
1945	26,250,000	16,700,000	9,550,000
Coal:			
1940	6,500,000	4,875,000	1,625,000
1941	13,126,000	10,800,000	2,326,000
1942	19,272,200	15,000,000	4,272,200
1943	24,940,000	18,900,000	6,040,000
1944	31,840,000	22,100,000	9,740,000
1945	35,760,000	24,700,000	11,060,000
Iron works:			
Electric pig iron			
Steel			
1941	240,000	224,760	15,240
1942	690,000	621,590	68,410
1943	690,000	621,590	68,410
1944	690,000	621,590	68,410
1945	690,000	621,590	68,410
Electric iron			
1941	694,700	654,408	40,292
1942	4,056,000	3,294,720	761,280
1943	3,042,000	2,471,040	560,960
Electric furnace steel			
1944	24,336,000	14,641,848	9,694,152
1945	24,336,000	14,641,848	9,694,152
Converter steel			
1942	3,152,000	2,105,000	1,047,000
1943	20,960,000	13,997,350	6,962,650
1944	8,480,000	5,663,050	2,816,950
1945	8,480,000	5,663,050	2,816,950
Coke			Loss balance
1942	10,000	35,060	25,060
1943	150,000	525,900	375,900
1944	150,000	525,900	375,900
1945	150,000	525,900	375,900

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

	Sales receipts	Sales expense	Profit balance
Office expense(1 40)		¥ 4,884,000	¥ 4,884,000
1941		5,700,000	5,700,000
1942		7,925,000	7,925,000
1943		9,775,000	9,775,000
1944		10,225,000	10,225,000
1945		10,350,000	10,350,000
General totals			
1940	10,500,000	12,134,000	Loss 1,634,000
1941	26,355,700	25,579,168	Gain 776,532
1942	44,615,200	39,881,370	" 4,733,830
1943	69,357,000	58,040,880	" 11,316,120
1944	88,296,000	67,777,388	" 20,518,612
1945	95,666,000	73,202,388	" 22,463,612

Plans for the iron works

The goal for the iron works of this company is 500,000 MT of pig iron and 100,000 MT of special steel; but for the present, the construction of the equipment for the pig iron is to be held up, and emphasis placed on the construction of that for the special steel.

Erh-tao-chiang Iron Works:

As a first plan, it is proposed to set the goal for special steel rough material at 140,000 MT.

Special steel:

An experimental plant (one 4-MT electric pig iron furnace and one electric steel furnace).

An electric pig iron plant (four 15-MT electric pig furnaces).

Superior pig iron plant (small size, 300 ton blast furnace)

Sponge iron plant (one converter, capacity 20,000 MT per year)

Electric steel plant (three 15 MT electric steel furnaces; two 10 MT electric steel furnaces)

Coal dressing plant

Coke plant

Electric power plant (15,000 kw to begin Jun 1941; 30,000 kw by Apr 1943)

Other accessory installations

The sponge iron plant and the electric steel plant construction work will be carried on after 1941.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

VI. DOWA AUTOMOBILE INDUSTRY CO, LTD

Dowa Jidosha Kogyo Kabushiki Kaisha
(Abbreviation, Dowa)

A. Present Condition

Capital (Paid up)		¥ 30,000,000
At founding, 1934	¥ 6,200,000	
Increase, July 1939	23,800,000	
Shares		600,000
Spot shares	4,000	
Cash shares	596,000	
Stockholders		
Mangyo		508,800
Received from Manchukuo and Mantetsu		
Spot shares	4,000	
Cash shares	58,000	
Received from Nissan	9,200	
Capitalization guarantee shares	437,600	
Mitsubishi Heavy Industry		45,000
Tokyo Automobile Industry		21,000
Nippon Vehicles		9,200
Kawasaki Vehicles		9,200
Nippon Automobile Industry		6,800

Mangyo's investment (as of 31 Jan 1941)

Capital	¥ 25,440,000
Loans	10,032,593

Bank loans (as of 31 Jan 1941)

Yasuda Bank by note	¥ 5,500,000
by overdraft	725,726
Chosen Bank by note	2,500,000
by overdraft	318,930
100 Chosen Bank by note	2,000,000
by overdraft	554,832
Manshu Kogin by note	12,943,000
by overdraft	967,258
Manshu Chugin by note	3,480,000
Total	¥ 28,989,746

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Present Equipment (as of June 1940)

Auto assembly plant:	Capacity
Mukden Plant	6,000 units (Buildings, 3,300 tsubo; machines 111 units)
Dairen Plant	900 units (Rented buildings, machines 13 units)
Total	6,900

Body mfg plants:	
Mukden	4,000 units (Buildings 3,100 tsubo; machines 111 units)
Dairen & Harbin	1,200 units (Buildings 500 tsubo; machines 19 units)
Total	5,200

Parts mfg plant:	Value
Mukden	¥ 200,000 (Buildings 700 tsubo; machines 294 units)

Repair plants:	Capacity
Mukden	1,920 cars (Buildings, 1,000 tsubo;* machines 115 units
Hsinking	1,200 cars (Buildings, 1,750 tsubo; machines 105 units)
Harbin	1,200 cars (Buildings, 1,660 tsubo; machines 92 units)
Tsi-tsi-har	960 cars (Buildings, 790 tsubo; machines 89 units)
Mu-tan-chiang	1,200 cars (Buildings, 850 tsubo; machines 37 units)
Dairen	2,160 cars (Buildings, rented; 46 machines)
Antung	840 cars (Buildings, 900 tsubo; 35 machines)
Chia-mu-ssu	840 cars (Buildings, 500 tsubo; 29 machines)
Chin-chou, Kung-chu-ling Ch'eng-te and Ki-rin	1,440 cars (Buildings, 700 tsubo; 126 machines)
Total	11,760 cars (With accessory equipment)

Output and sales (Apr 1939-Mar 1940)

Output:

Finished cars	5,244
Car bodies	4,902
Chassis	6,985
Value of parts	¥ 811,204

Sales:

Foreign makes	Trucks	Omnibuses	Passenger cars	Special	Total
Ford	1,694	82	287		2,063
Fiat	49	159			208
Chevrolet			76		76
Dodge	31		1		32
Others	7	9	2		18
Total	1,781	250	366		2,397

*T: Tsubo - 3.31 sq meters

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Domestic makes	Trucks	Omnibuses	Passenger cars	Special	Total
Nissan	819	1	177		997
Kongo	476	509		4	989
Rokurinsha	48			8	56
Type 94	216				216
Type 97	291				291
Others	8	15	1	2	26
Total	1,858	525	178	14	2,575
Grand total	3,639	775	544	14	4,972

Car bodies		280
Ford	186	
Kongo	90	
Others	4	
Repaired		8,482
Repaired price		¥ 1,242,650
Parts		5,935,931

State of the business

Period	Receipts	Expenditures	Gain	%	Dividend
1934 14 mon	¥ 1,328,019	¥ 1,716,609	loss 388,590		
1935 12	4,191,340	4,476,189	loss 284,849		
1936 12	5,646,643	5,437,966	¥ 208,677	7	
1937 6	7,867,489	7,178,184	689,305	43	6
1938 12	24,148,417	23,407,107	741,310	15	6
1939 6	12,222,976	11,788,740	433,236	14	6
1939 6	26,924,143	25,855,510	1,068,633	12	6
1940 6	33,649,596	32,309,811	1,339,785	10	6
1940 6	29,415,218	28,213,788	1,201,430	8	6

Fixed assets ¥ 16,758,238 [sic]

Main plant:	
Land	¥ 1,159,494
Buildings	8,571,320
Machines	2,844,346
Tools	190,097
Fixtures	342,489
Equipment	379,855
Suspense payments for const fund	2,519,048
Total	16,006,651 [sic]
Hsin king	130,814
Harbin	102,336
Tsi-tsi-har	58,821
Mu-tan-chiang	87,037

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Fixed assets

Antung	57,685
Dairen	78,013
Others	236,875

Balance sheet (as of 30 Jun 1940)

Assets:		Liabilities:	
Land	¥ 1,073,933.70	Loans	¥ 34,133,160.00
Buildings	4,959,586.92	Overdrafts	1,346,668.12
Machinery	3,070,955.08	Employees' deposits	198,521.83
Tools	221,669.10	Bills payable	2,722,434.65
Fixtures	458,316.42	Accounts payable	2,238,926.13
Equipment	268,610.88	Credit purchases	3,803,820.28
Cons suspense pmt	3,002,529.32	Suspense receipts	1,153,376.06
Goods stored	13,042,688.78	Advanced receipts	370,049.23
Parts for assembly	2,376,529.39	Money recd as security	60,000.00
Parts	10,777,765.72	Capital	30,000,000.00
Finished goods	11,567,534.01	Legal reserve	252,500.00
Goods in transit	10,151,203.90	Special reserve	750,000.00
Work begun	3,248,652.93	Retirement employees'	
Bank deposits	1,964,063.89	allocated fund, etc	120,000.00
		Bal from previous acct	164,695.43
Cash	186,367.60	Profit this period	1,339,785.53
Bills receivable	16,000.30		
Accts receivable	1,574,483.05		
Sales accts receivable	9,611,083.24		
Suspense payments	734,563.77		
Advanced payments	321,725.22		
Money deposited as sec	5,845.47		
Guaranteed security	19,828.39		
Total	¥ 78,653,937.08		¥ 78,653,937.08

Balance sheet (as of 31 Dec 1940)

Assets:		Liabilities:	
Land	¥ 1,159,494.16	Loans	¥ 27,923,000.00
Buildings	8,571,320.91	Mangyo account	10,032,293.08
Machinery	3,188,745.44	Employees' deposits	265,739.98
Tools	284,944.33	Bills payable	13,902,738.70
Fixtures	641,954.32	Accounts payable	648,400.31
Equipment	392,730.66	Credit purchases	1,205,167.41
Suspense payments for construction	2,519,048.53	Suspense receipts	1,716,734.38
Securities	130,000.00	Advanced receipts	41,066.30
Goods stored	15,091,763.60	Money recd as security	69,000.00
Parts for assembly	2,010,372.29	Capital	30,000,000.00
Parts	13,751,144.48	Legal reserve	392,500.00
Finished goods	7,997,395.48	Special reserve	1,050,000.00
Work begun	3,608,095.92	Employees' allocated retirement fund, etc	170,000.00

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Balance sheet (as of 31 Dec 1940)

Assets:		Liabilities:	
Goods in transit	¥11,418,531.29	Bal from previous acct	¥ 191,307.74
Bank deposits	3,664,833.05	Profit this period	1,201,429.93
Transfer account	50.19		
Cash	25,448.41		
Bills receivable	88,821.12		
Accts receivable	1,765,135.63		
Accts receivable sales	9,469,575.08		
Suspense payments	2,503,656.46		
Advanced payments	498,521.64		
Money deposited as security	8,266.45		
Guaranteed security	19,828.39		
Total	¥ 88,809,677.83		¥88,809,677.83

Profit and loss account (1 Jan-30 Jun 1940)

Profit:		Loss:	
Sales receipts	¥ 32,554,241.06	Sales expense	¥ 26,844,217.89
Chauffeur tng sch	9,092.18	Running expense	2,185,915.20
Various receipts	1,086,263.18	Chauffeur training school	34,288.10
		Technician training school	59,830.68
		General expenses	3,086,866.98
		Amortization, etc	98,692.04
		Profits this period	1,339,785.35
Total	¥ 33,649,596.24		¥ 33,649,596.24

Profit and loss account (1 Jul-31 Dec 1940)

Profit:		Loss:	
Sales receipts	¥ 28,768,594.43	Sales expense	¥ 23,336,588.26
Chauffeur tng sch	8,857.20	Running expense	1,124,375.01
Misc receipts	637,766.08	Chauffeur tng sch	37,132.53
		Technicians tng sch	51,886.65
		General expenses	3,547,368.55
		Amortization, etc	116,436.78
		Profits this period	1,201,429.93
Total	¥ 29,415,217.71		¥ 29,415,217.71

B. Plans for the Future

Increased output (Estimate to the end of 1942)

Car bodies plant	12,000 units (cars)
Assembling plant	14,000 units
Repair plant	32,000 units
Parts	¥ 8,000,000

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Plans for 1940

Enlargement of car bodies plant:

New construction (3,000 tsubo)
550 additional machines (added capacity, 4,000 cars per year)

Reorganization of chassis plant:

30 additional machines

Enlargement of parts plant:

New construction (1,600 tsubo)
90 additional machines (added capacity, ¥ 2,000,000 per year)

Enlargement of repair plant:

New construction at Mukden and elsewhere
Expanded equipment (added capacity, 6,600 cars per year)

Accessory equipment:

Completion of research station and additional housing for factory workers

Capital plans for 1940 (Unit ¥ 1,000)

Needed capital:	October revision	August revision
Running expenses (includes investments)	¥ 7,096	¥ 8,333
Returned loans		2,000
Dividends	1,701	1,800
Working capital increase	9,666	
Total	¥ 18,463	¥ 12,133
Provision:		
Own capital	4,494	2,133
Mangyo investment	10,000	10,000
Bank loans	4,566	
Total	¥ 19,060	¥ 12,133
Balance to next year	597	

Estimated output and sales for 1940 (Apr-Mar)

Production capacity, 1940:

	Present capacity	To be added 1940	Production capacity end of 1940
Car bodies	¥ 5,070 cars	930 cars	6,000 cars
Chassis assembly	6,000 cars		6,000 cars
Repairs	11,900 cars	3,020 cars	14,920 cars
Parts	¥ 200,000 cars	¥ 1,800,000 cars	¥ 2,000,000 cars

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Purchase and sales of new cars, 1940:	Number	Value
Purchase (new cars)	6,315 cars	¥ 18,896,000
Sale	7,424 cars	55,974,000

Plans for importing cars and parts, 1940 (Apr-Mar):

	1st qtr	2d qtr	3d qtr	4th qtr	Total
QM chassis	150				150
Ford trucks (assembly)	1,000				1,000
Ford pass (complete)	20				20
Fiat, pass (complete)	170	80			250
Nissan trucks (complete)	375				375
Nissan trucks (assembly)	240	510	480	180	1,410
Nissan pass (complete)	20		40	159	219
Nissan buses (chassis)			30	89	119
Datsun trucks (complete)				50	50
Datsun pass	27				27
Toyoda (for assembly)		30			30
Isuzu (assembly)			180	390	570
A-type Mitsubishi chassis			3		3
Totals	2,022	620	733	931	4,306

Parts:

Japan ¥	948,700	1,765,100	1,192,400	1,577,200	5,463,400
Manchuria	249,900	488,200	155,000	100,600	993,700
Others	179,700	187,000	1,815,500	144,300	2,326,600
Mukden plant	62,000	47,900	151,200	154,800	415,900
Total ¥	1,440,300	2,488,200	3,314,200	1,956,900	9,199,600

Note: up to Feb 1941 the figures are for performance; those for Mar 1941 are estimated.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Sales of completed cars and chassis (Jan-Dec 1940)

Domestic cars:	Complete	Chassis	Selling price	Cost price	Profit
Nissan	1,315	258	¥ 10,536,392	¥ 9,440,430	¥1,095,692
Type #97	195		1,804,140	1,542,045	262,095
Type #94	134		1,573,345	1,451,336	122,009
Standard	20		196,867	186,073	10,994
Fuso	14		197,960	182,122	15,838
Chiyoda	1		7,085	5,225	1,860
Toyoda	19		129,255	106,394	22,861
Hogo Rokurin	15		118,950	93,617	25,333
Ikegai FB 20	2		32,100	23,892	8,208
American cars:					
Kongo	365	18	3,312,405	3,074,732	237,673
Foreign cars:					
Ford	3,011	266	23,436,792	18,187,142	5,249,650
Fiat	245		1,562,247	1,204,704	357,543
Q M	115	70	3,265,750	3,128,173	137,577
Dodge	10		91,175	57,870	33,305
Man	1		14,546	14,230	316
Totals	5,460	614	46,279,009	38,697,985	7,581,024
Car bodies:		38	135,516	123,980	11,536

Investment in related companies

Company	Founded	Capital (¥ 1,000)	Investor	Amount	%
Manchuria Chem Ind Co, Ltd	1939	1,240 (paid up)	Dowa	¥ 260	20.9
			Mampi	250	25.
			Manji	250	25.
			Nippon Yushi	480	38.9

(Purpose: Manufacturing electric welding bars and welding machinery
Manufacturing lacquer for aircraft, paint and ink
Manufacturing apparatus for painting
Sale of basic products for the manufacturing of above articles

Abbreviations above: Mampi, Manchuria Airplane
Manji, Manchuria Automobiles
Yushi, Fat

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

VII. MANCHURIA AUTOMOBILE MANUFACTURING CO, LTD

Manshu Jidosha Seizo Kabushiki Kaisha
(Abbreviation, Manji)

A. Present Condition

Capital	¥ 100,000,000
Paid up May 1939	¥ 25,000,000
Shares (held entirely by Mangyo)	2,000,000

Mangyo's investment (as of Jan 1941)

Capital	¥ 25,000,000
Deposit	¥ 18,065,378

Progress of construction of the Antung plant

Land for company residences	94,584 sq m
Company residences:	111
Family residences	108
A class 12	
B class 96	
Bachelor residences (180 rooms)	3
Accessory:	
Common bath house (304.7 sq m)	1
Water works (almost completed)	

State of the business

Period	Receipts	Expenditures	Loss
1939 1st half	¥ 132,393	¥ 153,453	¥ 21,060
1939 2d half	361,399	372,149	10,750
1940 1st half	424,285	445,164	20,879

B. Plans for 1940

Goal (output of cars per year)	20,000
Under construction at present:	
General office	2,654 sq m
Testing plant	5,138 sq m
Garage for cars undergoing test	610 sq m

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

RESTRICTED

Balance sheet (as of 30 Jun 1940)

Debit:		Credit:	
Unpaid capital	¥ 75,000,000.00	Capital	¥ 100,000,000.00
Bal from last period	31,810.10	Accounts payable	78,127.03
Loss this period	20,879.27	Suspense receipts	125,902.57
Land	74,996.64		
Buildings	458,673.19		
Equipment	32,809.01		
Fixtures	119,301.73		
Securities	125,000.00		
Deposits	20,313,827.30		
Cash	3,222.00		
Accts receivable	1,244.91		
Suspense payments	4,022,265.45		
Total	¥100,204,029.60		¥ 100,204,029.60

Profit and loss account (Jan-Jun 1940)

Loss:		Profit	
Running expenses	¥ 444,040.24	Interest received	¥413,774.74
Taxes	1,123.63	Various profits	10,509.86
		Loss this period	20,879.27
Total	¥ 445,163.87		¥ 445,163.87

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

VIII. MANCHURIA AIRPLANE MANUFACTURING CO, LTD

Manshu Hikoki Seizo Kabushiki Kaisha

(Abbreviation, Mampi)

A. Present Condition

Capital (authorized, but ¥ 40,000,000 not paid up or issued) ¥ 100,000,000

At founding, June 1938	¥ 20,000,000
Increase, May 1940	80,000,000

Number of shares (held entirely by Mangyo as of Jan 1941) 2,000,000

Mangyo's investment

Capital	¥ 60,000,000
Loans	16,250,698

Bank loans (as of 31 Jan 1941) ¥ 4,000,000

Sumitomo Bank (by note)	¥ 1,000,000
100 Sumitomo Bank (by note)	3,000,000

State of the business

Period	Receipts	Expenditures	Loss
1938 1st half	¥ 3,081,611	¥ 3,089,043	¥ 7,432
1938 2d half	6,524,453	6,755,316	230,863
1939 1st half	7,929,682	8,882,701	953,020
1939 2d half	9,823,206	11,006,044	1,182,838
1940 1st half	5,091,266	6,073,884	982,618

Note: fractions are rounded off.

Subsidy from the Manchukuo Government ¥ 979,061

1938 1st half - 1939 1st half	¥ 210,881
1939 2d half	269,045
1940 1st half	499,135

Note: at the time of founding, the following subsidies were estimated as making up the losses (Unit ¥ 1,000):

From	1st year	2d year	3d year	4th year	5th year	Total
Japanese Army	¥ 450	630	870	1,150	1,200	4,300
Manch Govt	450	630	870	1,150	1,200	4,300
Total	900	1,260	1,740	2,300	2,400	8,600

The subsidy from the army was on the basis of 10 percent over the price in Japan proper; that from the Manchurian Government was on a cash basis. This was the understanding.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Details, capital investment (as of Jan 1941)

Land	¥ 8,501,000
Buildings:	22,736,000
Body plant	¥ 5,556,000
Engine plant	1,350,000
Store houses	860,000
Company residences	11,587,000
Others	3,383,000
Machinery	11,794,000
Tools	1,629,000
Fixtures	907,000
Establishment expense	26,000
Commencement expense	1,613,000
Reconstruction of rented buildings	609,000
Structures	818,000
Administration	¥ 2,090,000
Investments	171,000
Working capital	29,356,000
Total	¥ 80,250,000

Balance sheet (as of 31 Aug 1940)

Debit:		Credit:	
Fixed assets	(¥ 36,214,543.44)	Short term loans	(¥ 26,874,234.73
Land	210,797.25	Accounts payable	9,818,531.37
Buildings	10,992,889.88	Advanced receipts	460,015.00
Structures	362,300.43	Short term loans	16,595,688.36
Machinery	5,942,316.04		
Tools	1,133,155.47	Mortgage account	(149,622.99)
Administration	1,364,441.50		
Fixtures	480,747.46	Retirement	149,622.99
Repairs of rented bldgs	572,345.46	Miscellaneous account	(125,921.61)
Building account	15,155,549.95		
		Suspense receipt account	125,921.61
Investments	171,000.00		
		Stockholders' account	(100,000,000.00)
Special assets	62,034.55		
		Capital	100,000,000.00
Stored goods	15,901,287.90		
Inventory	25,446,852.86		

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Debit:			
Goods in transit	4,095,679.34		
Subcontract plant	770,691.23		
Half finished goods	4,679,194.39		
Liquid assets	9,443,864.13		
Loans	28,000.00		
Advanced payment	4,115,529.42		
Accts receivable	5,106,462.14		
Bank deposit	143,924.66		
Cash	9,947.91		
Misc accounts	2,454,711.39		
Suspense payments	1,117,573.70		
Initial expense	7,490.00		
Preliminary expense	1,329,647.69		
Stockholders acct	53,356,772.96		
Unpaid capital	50,000,000.00		
Bal from last acct	2,374,154.72		
Loss this period	992,618.24		
Total	¥ 127,149,779.33		¥ 127,149,779.33

Profit and loss account (1 Mar-31 Aug 1940)

Loss:		Profit:	
Production costs		Production receipts	
Bodies	¥ 3,341,194.76	Bodies	¥ 3,719,270.66
Engines	1,073,220.17	Engines	663,420.00
Accessories	344,881.26	Accessories	241,360.66
Repair costs		Repair receipts	
Bodies	361,186.40	Bodies	268,979.17
Engines	62,271.96	Engines	32,957.72
Misc expenses	76,701.93	Misc	42,575.42
Expansion fund	102,415.01	Subsidy	768,180.44
Misc losses	712,012.64	Misc profits	259,302.48
		Loss this period	982,618.24
Total	¥ 6,073,884.13		¥ 6,073,884.13

Capital plans for 1940 (Unit ¥ 1,000)

Capital needs:	Revised October	Revised August
Running expenses	22,047	23,365
Working capital increment	9,595	4,019
Total	31,642	27,384

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHTApproved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Provision:	Revised October	Revised August
Balance last year	1,663	984
Own capital	- 1,964	-2,100
From Mangyo	28,500	28,500
Bank loans	3,500	
Total	31,699	27,384
Balance to next year	57	

Estimated receipts and expenditures, 1940 (Unit ¥ 1,000)

Receipts:		Expenditures:	
Balance at end of period	32,723	Balance at beginning of period	20,727
Sales receipts	11,497	Purchase of materials, etc	14,715
Interest received	6	Interest paid	717
Other receipts	984	Running expenses	9,305
Total	45,210		45,464
Loss	254		

Construction capital plans, first stage (Unit ¥ 1,000)100,000

Manshu Aircrafts' plant taken over	4,480	
Land for expansion	10,000	(Already 5,800 bought)
Plant enlargement	35,000	
Workmen's training	1,065	
Training planes	1,000	(Already paid 40,000)
Residences (new)	23,088	
Residences (old)	160	
Medical care	207	
Hospital construction	3,000	
School and kindergarten	2,000	
Working capital	20,000	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

IX. PENHSIHU COAL and IRON CO, LTD

Kabushiki Kaisha, Honkeiko Baitetsu Koshi

(Abbreviation, Penhsihu)

A. Present Condition

Capital (Paid up)		¥ 100,000,000
At founding, 1910	¥ 2,000,000(yuans)	
1935	¥10,000,000	
increase, 1939	90,000,000	
Shares		2,000,000
Old shares	200,000	
New shares	1,800,000	
Merit shares	100,000	
Dividend shares	560,000	
Cash	1,140,000	
Stockholders		800,000
Mangyo cash shares		
Okura old shares	120,000	
merit shares	100,000	
dividend shares	336,000	
cash shares	244,000	800,000
Government old shares	80,000	
dividend shares	224,000	
cash	96,000	400,000
Mangyo's investment (as of Jan 1941)		
Capital		¥ 40,000,000
Loans		65,705,118.72
Fixed assets	¥ 40,705,118.72	
For bonds	25,000,000	
Bonds issued		¥ 25,000,000
Bonds advanced		15,000,000
Loans		40,873,561

Present equipment

Pig-iron:	Size	capacity per year
Penhsihu blast furnaces (2)	200 MT	150,000 MT
Kung-yuan blast furnaces (1)	600 MT	200,000 MT
Reduction furnaces (8)		2,000 MT
Other accessories		

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Coal:

Penhsihu coal mine	1,300,000 MT
T'ien-shih-fu mine	100,000 MT
Accessories	

Production and disposal, 1939 (Apr-Mar)

(Unit MT)	Output	Bal from last year	Plant consumption	Sale
Coal	945,500	16,043	489,217	411,582
Pig iron	144,451	5,164		147,506
Coke	226,828	5,770	169,446	66,036
Iron ore	315,723	19,284	294,792	
Fire brick	11,796	2,016	10,236	1,336
Sulphuric acid	2,365	121	2,371	
Iron sulphide	655	1,072	1,860	
Coal tar	7,740	1,500	124	8,482
Clinker brick	13,115	2,502	15,398	141
Ammonium sulphate	2,011	174		1,403

Sales

Coal: Sold to	Amount(MT) 1940 1st hf	Amount (MT) 1939 2d hf	Price per MT 1940 1st hf	Price per MT 1939 2d hf
Nichiman Shoji	5,200	6,990	¥ 11.03	¥ 9.62
Showa	199,201	199,485	12.59	12.63
Nittetsu (Kenjiho)	9,250	18,093	22.26	21.76
Related companies	6,517	4,062	10.75	7.80
Used by self	212,462	188,798	13.37	11.81
Total	432,630	417,428	13.27	13.53

Pig iron:	Amount sold (MT)	Price per MT
Low phosphorus cont	42,750	¥ 100.20
Ditto, low grade	10,850	79.44
Ordinary	5,988	65.91

Sold to	Low phos cont	Ditto, low grade	Ordinary
Navy	4,290 MT		
Navy subcontract	37,800	1,560	
Army	480	8,610	
Penhsihu special steel	140		
Manchurian civilians	40		
Company use (repair plant)		680	
Total	42,750	10,850	5,988

Note: (the ordinary pig iron is for Manchuria and Chosen)

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Price increase for low phosphorus pig iron:

Sold to	Selling price	Price raise	
Navy plants	¥ 115	¥ 30 from 1 Apr	(In the ¥ 115 is included a 5% commission for Okura)
Navy subcontract	115	30 from 20 Aug	(The 115 is divided with Okura)

Note: the average sales price is ¥ 101.22

State of the business

Period	Receipts	Expenditures	Profit balance
1937 1st half	¥ 3,910,723.23	¥ 699,234.50	¥ 3,211,488.73
1937 2d half	3,160,439.40	171,382.45	2,989,056.95
1938 1st half	4,051,536.66	504,047.64	3,547,489.02
1938 2d half	30,586,542.39	451,243.54	* 30,135,298.85
1939 1st half	4,616,834.09	2,294,401.45	2,322,432.64
1939 2d half	7,351,742.51	2,184,402.36	5,167,340.15
1940 1st half	5,351,586.73	1,805,568.67	3,545,018.06

* Includes profit due to increase in value of assets.

Profit and loss account

Profit:		Loss:	
Output and sales	¥ 5,057,620.89	Interest	¥ 240,499.10
Dividend received	176,055.72	Depreciation and Amortization	1,196,069.57
Misc profits	117,910.12	Business taxes	370,000.00
Total	¥ 5,351,586.73		¥ 1,806,568.67
		Profit balance	¥ 3,545,018.06

Production costs

Coal:	Penhsihu	T'ien-shih-fu
Mining cost	¥ 10.84	¥ 8.75
General cost	1.36	1.375
Amortization	.80	.005
Transportation (to Penhsihu)		1.25
Total	13.00	11.38

Pig iron:	1940 1st hf	1939 2d hf
Mining cost	¥ 18.05	¥ 10.71
Raw material	50.83	38.70
Total	¥ 68.88	¥ 49.41

RESTRICTED

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Low phosphorus pig iron:	1940 1st half	1939 2d half
Production cost	¥ 18.05	¥ 10.71
Raw material	91.67	73.14
Total	¥ 109.72	¥ 83.85
Low phosphorus pig, low grade:		
Production	¥ 18.05	¥ 10.71
Raw material	64.05	57.80
Total	¥ 82.10	¥ 68.51

Investment in related companies (Unit ¥ 1,000)

	Auth Cap	%	Dividend %	Penhsihu Capital	Ditto pd up
Penhsihu Cement	15,000	9.3	10.	1,400	1,400
Penhsihu Dolomite	300	56.7	10.	170	170
Penhsihu Mine Posts	200	25.	10.	50	25
Penhsihu Special Steel	10,000	35.	8.	3,500	875
Nan-ting Mining	1,700	17.6	0.	3,000	3,000
Manshu Explosives	8,500	0.8	0.	70	70
Tohendo Kaihatsu	140,000	0.7	0.	1,000	1,000
Total	¥ 175,700			6,490	3,840

Fixed assets (as of Dec 1940)

Present fixed assets:	¥ 52,249,713.82
Coal mine equipment	¥ 20,085,961.43
Iron works equipment	15,175,670.52
Electrical equipment	7,533,589.13
Others	9,454,492.74
Initial suspense account	992,451.70
Subtotal	53,242,165.52
Increase, five-year plan:	
Equipment for inclined mine fields	¥ 17,545.67
#2 equipment for inclined mine fields	699,859.49
For T'ien-shih-fu	2,531,209.54
For iron-ore treatment	14,682,610.46
Construction-ore plant	6,750,521.35
Equipment pig iron plant	16,637,482.71
Steel plant	84,154.77
Ingot-splitting plant	
Coke plant	8,830,501.81
By-product plant	1,835,370.41
Power plant (60,000 kw)	8,869,772.90
Power plant (14,000 kw)	1,684,341.58
Limestone-mining equipment	2,733,161.54
General equipment	31,213,972.69
Construction cost	2,245,001.87
Digging shafts	6,141,917.19

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Increase, five-year plan:

#2 Digging shafts	497,497.95
1 million MT shaft equipment	1,416,912.70
Sintering plant	743,468.85
Heat control plant	529,952.93
Electric distributing and transforming equipment	720,362.83
Increase, suspense account	71,773,748.42
Increase, low phosphorus equipment	5,811.62
Electric charging or receiving equipment	950.00
Niu-shin-t'ai mine	1,150,696.79
Subtotal	181,766,826.07
Grand total	235,008,991.59

Balance sheet (as of 30 Jun 1940)

Debit:		Credit:	
Fixed assets		Long term obligations	
General	¥ 9,116,481.96	Bonds	¥ 25,000,000.00
Mining	20,407,673.45		
Iron works	15,347,841.47	Short term obligations	
Electrical works	7,777,074.48		
Initial suspense acct	747,668.08	Mangyo	15,016,250.00
Increase, 5 year	142,582,250.02	Okura	3,419,969.64
		Manshu Okura	58,182.64
Investments		Notes	46,534,330.76
		Banks	8,214,138.30
Penhsihu spec Steel	875,000.00	Accounts payable	5,159,105.14
Penhsihu Mine Posts	25,000.00	Money received as	
Penhsihu Cement	1,400,000.00	security	132,202.75
Penhsihu Dolomite	170,000.00	Employees deposits	1,456,050.24
Nan-ting Mining	300,000.00	Employees fidelity	
Manshu Explosives	50,000.00	bonds	687,120.20
Tohendo Development	1,000,000.00		
Securities	1,169,289.34	Mortgage	
Work and sales		Retirement	803,123.66
Stored goods	392,810.70	Miscellaneous	
Ditto, repair plant	1,049,680.30		
Ditto, rebuilding plant		Draft, unfinished pig	4,430,220.00
	19,771.06	Suspense receipts	3,408,766.50
Iron ore	39,027.67	Mutual aid	227,146.39
Products	5,529,529.46		
Products freight	113,973.03	Capital	
Floating capital		Capital	100,000,000.00
		Legal reserve	4,374,677.87
Accounts receivable	1,282,629.53	Reserve	989,587.53
Credit sales	486,687.52	Special reserve	1,750,000.00
Nichiman Shoji	463,401.02	Reserve for research	99,085.00
Okura mining	220,042.12	Bal from previous acct	33,650.04
Post office		Profit, this period	3,545,018.06
transfer account	4,305.95		

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Cash	22,112.61	
Miscellaneous		
Pig iron to Japan	4,430,220.00	
Collateral money, received as security	71,578.25	
Suspense fund	7,998,775.01	
Hospital fund	25,104.35	
Service station	1,288,661.35	
Guaranteed security	932,765.20	
Total	¥ 225,338,624.72	¥ 225,338,624.72

Profit and loss account (Jan to Jun 1940)

Loss:		Profit:	
Interest	240,499.10	Output and sales	5,057,620.89
Amortization, etc	1,196,069.57	Dividends received	176,055.72
Business taxes	370,000.00	Miscellaneous profit	117,910.12
Profit this period	3,545,018.06		
Total	¥ 5,351,586.73		¥ 5,351,586.73

Capital statement, 1939 (Apr-Mar; unit, ¥ 1,000)

Capital needed:	Estimated	Actual	Gain	Loss
For 5 year plan	96,760	78,106		18,654
General expenses	2,250	678		1,572
Contributions, etc	3,000	3,000		
Corporation tax	2,500	3,515	1,015	
Tax (registration)	450	450		
Repayment bonds & loans (includes interest)	884	2,021	1,137	
Outside investment		1,000	1,000	
Reserve transfer	33,000	33,000		
Repayment loans	32,714	32,094		620
Total	171,558	153,864		17,694
Provision:				
Own capital	8,074	5,675		2,399
Capital increase subsidy	90,000	90,000		
Bonds	40,000	30,000		10,000
Loans	33,484	28,189		5,295
Total	171,558	153,864		

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Bonds, advances, loans (as of 31 Jan 1941)

Bonds	(4.3% hypothecated)	¥ 25,000,000
Advances		15,000,000
Loans:		40,873,561
Yokohama Specie Bank overdraft	¥ 998,834	
Manshu Kogin Bank note	30,000,000	
Manshu Kogin Bank overdraft	9,874,727	

Present equipment (as of Feb 1941)

Pig iron:

Present annual capacity 350,000 MT

	Capacity per year	Kind	Units	
Penshihu blast furnaces	150,000 MT	200 MT furnaces	2	Now working
Kung-yuan blast furnaces	200,000 MT	600 MT furnaces	1	Now working

Incomplete 1940; to begin Apr 1941.

Coal mining:

Present annual capacity 140,000 MT

Penhsihu	130,000 MT
Penhsihu vertical shaft under construction	10,000 MT

Dug 350 meters in 1939 and 155 in 1940, a total depth of 535 [sic] meters

T'ien-shih-fu mine 100,000 MT

Galleries	Estimate 1939	Actual
Level	430 m	420 m
Others	1,449 m	1,590 m
Total	1,879 m	2,010 m

Note: "others" refers to air shafts, drainage, etc.

Iron ore mining:

Mine	Poor ore	Rich ore	Total
Miao-er-kou	950,000 MT	330,000 MT	1,280,000 MT
Pa-p'an-ling		50,000 MT	50,000 MT
Total	950,000 MT	380,000 MT	1,330,000 MT

Note: these two are the only mines worked at present.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Iron ore treatment:

Ore dressing stations	Capacity per year	1,000,000 MT
#1 south plant	300,000 MT	Now working
#2 south plant	350,000 MT	Now working
#3 south plant	350,000 MT	Now working out of 700,000
Ore reducing plants		* 480,000 MT
Penhsihu	200,000 MT	5 furnaces now working
Kung-yuan	280,000 MT	7 furnaces now working
By Mar 1941,		560,000 MT
Sintering plants		280,000 MT
Penhsihu	80,000 MT	2 units now working
Kung-yuan	200,000 MT	12 units completed Mar '41
Coke:		500,000 [sic] MT
Penhsihu #1 46 ovens	250,000 MT	Now working
#2 52 ovens		
Kung-yuan #1 60 ovens	250,000 MT	
#2 60 ovens	250,000 MT	Completed Sep '41
Power:		62,500 kw
Penhsihu #1 power plant	14,500 kw	1,500 kw 2 units 2,500 kw 1 unit 3,000 kw 1 unit 6,000 kw 1 unit now working
#2 power plant	28,000 kw	14,000 kw 2 units now working
Kung-yuan power plant	20,000 kw	20,000 kw 3 units Apr '41

By-products:

Ammonium sulphate

Penhsihu	3,100 MT	Now working
Kung-yuan	4,500 MT	Now working out of 9,000 to be completed Mar '41

Sulphuric acid

Penhsihu	5,000 MT	Now working
Kung-yuan	7,500 MT	Now working out of 15,000 to be completed soon

Coal tar

Penhsihu	8,500 MT	Now working
Kung-yuan	16,000 MT	Now working out of 31,000 to be completed Mar '41
Benzol	6,000 MT	To be completed Dec 1940, and begin working Mar '41

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Creosote	10,000 MT	To be completed Dec 1940, and begin working Mar '41
Pitch	19,000 MT	To be completed Dec 1940, and begin working Mar '41
Naphthalene	1,300 MT	To be completed Dec 1940, and begin working Mar '41
Crude anthracene	700 MT	To be completed Dec 1940, and begin working Mar '41

Transportation:

A railroad branch from south plant * to Miao-er iron mine; finished.

Kung-yuan railroad (vertical shaft line and brick plant line) finished Aug 1939.

* (TN: "south plant" is probably a misprint for "Nan-kung." This obvious misprint occurs again on pages 251 and 264 of the original.)

B. Plans for the Future

Increased production, five year plan (est to end 1942; unit 1,000 MT)

	Present capacity	First plan	Second plan	Total
Coal	700	800 (Note 1)	700 (Note 1)	2,200
Pig iron	150	400 (Note 2)	500	1,050
Ordinary	50*	350*	450*	850
Phosphorus	100	50	50	200
Steel				
Ingots	500	60		560
Billets		500*		500
Material		250		250

* Calculated figures

Note 1:

Coal	Present capacity	Increase	Total	Est date completion
Penhsihu mine	1,300	400	1,700	May 1942
T'ien-shih, fu	100	100	200	Dec 1941
Liu-hsin-t'ai	0	300	300	Dec 1941
Total	1,400	800	2,200	

Note 2:

Pig iron

The first increase of 400,000 MT will be completed Dec 1941; while the second increase, and that of steel, is under consideration.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

Plans for 1940

Pig iron equipment:

#2 blast furnace (600 MT per day) under construction, to be completed Dec 1941: now, Dec 1940, 70% completed)

Steel-making equipment:

500,000 MT equipment, construction discontinued.

Construction is continuing on that for mining, ore treatment and by-product treatment. (This was omitted from the above list)

Capital plans for 1940 (Unit ¥ 1,000)

Needed capital:	Revised October	Revised August
Running expenses		
Land purchase	1,353	
Construction	23,654	
Machinery and tools	23,434	
Others	25,184	
Total	73,626	73,601
Dividends	7,000	7,000
Others	9,871	4,869
Total	90,497	85,470
Provision:		
Own capital	8,434	9,987
Mangyo	60,500	27,300
Bank loans	1,707	3,200
Advance loans	20,000	45,000
Total	90,641	85,489
Balance to next year	144	19

Profit and loss account, 1940

Profit:	2d hf (1 Jul-31 Dec)	1st hf (1 Jan-30 June)
Output and sales	¥ 2,280,000.00	¥ 5,057,620.89
Dividend receipts	130,000.00	176,055.72
Misc profits	2,700,000.00	117,910.12
Total	¥ 5,110,000.00	¥ 5,351,586.73

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Loss:	2d hf (1Jul-31 Dec)	1st hf (1 Jan-30 Jun)
Interest	100,000.00	240,499.10
Depreciation and amortiz	1,180,000.00	1,196,069.57
Business taxes	540,000.00	370,000.00
Total	¥ 1,820,000.00	1,806,568.67
Profit balance	3,290,000.00	3,545,018.06

Output, 1940, estimate and performance

		Estimate (Apr-Mar)		Performance (Jan-Dec)	
Pig iron		230,000 MT		122,000 MT	
	Ordinary 28,000		8,000		
	Low phos 202,000		114,000		
Coal		1,300,000		786,000	
Iron ore		490,000		341,000	
	Rich 320,000		301,000		
	Poor 170,000		40,000		
Coke		365,000		207,000	
	Low phos 115,000		79,000		
	Ordinary 250,000		128,000		
Ammonium sulphate		23,000		1,597,000	
Sulphuric acid		27,000		2,014,000	

Details, plans for 1940 (Based on data of Feb 1941)

Coal: (Unit 1,000 MT)	Capacity on completion	Date of completion	Percentage of progress '39	'40	'40 1st hf	'40 2d hf
Penhsihu						
Oblique shaft caking		Dec '41	70		20	90
Vertical shaft coal	1,800	Dec '42	40		20	60
T'ien-shih-fu (bituminous)	150	Mar '43	40		30	70
Niu-hsin-t'ai	250	Mar '44			40	40
Coal dressing station:						
T'sai-chia-t'un	1,500	Dec '42			30	30

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CLASSIFIED RESTRICTED
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Ore mining:	Capacity on completion	Date of completion	Percentage of progress '39	'40 1st hf	'40 2d hf
Miao-er-kou (poor ore)	1,900	Jul '41	50	30	80
Miao-er-kou (rich ore)	350	Jul '41	50	30	80
Pa-p'an-ling (rich ore)	100	Dec '41	10	30	40
Ore dressing station:					
Nan-kung *#3 plant (poor ore)	700	Aug '41	50	30	80
* See TN end of "Present Equipment" this company.					
Ore reduction plants:					
Kung-yuan #1	280	Dec '40	80	20	100
Kung-yuan #2	280	Sep '41		20	20
Sintering plant:					
Kung-yuan #1 (to begin 1941)	200	Sep '41			
Pig iron:					
Kung-yuan #1 blast furnace	250	Dec '40	70	30	100
Kung-yuan #2 blast furnace (Each 650 MT, 1 unit)	250	Oct '41	50	40	90
Steel making plant:					
Kung-yuan (Work postponed to '42)	300	Dec '44			
Ingot splitting plant: (Work postponed to '42)	300	Dec '44			
Steel material plant:					
Kung-yuan (Work postponed to '42)	250	Dec '44			
Coke:					
Kung-yuan #1 coke plant	250	Jul '40	80	20	100
Kung-yuan #2 coke plant	250	Sep '41	40	40	80
By-products:					
Kung-yuan benzol		Dec '41		20	20
Kung-yuan sulphuric acid		Jul '41	20	70	90
Kung-yuan ammonium sulphate		Jul '41		30	30

Tar, naphthalene and gasoline features are postponed until after 1941.

RESTRICTED
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

	Capacity on completion	Date of completion	Percentage of progress '39	'40 1st hf	'40 2d hf
Power:					
Penhsihu	14,000 kw	Jan '41	70	30	100
Kung-yuan	6,000 kw	Dec '42	30	40	70

Plans for increased output in coal, iron and steel (Unit 1,000 MT)

	Capacity Dec 1939	Increase goal	Plan 1st hf	Plan 2d hf	Total	
Coal:						
Penhsihu oblique	1,000	800	100	-300	-200	caking
Penhsihu vertical		1,000		1,000	1,000	caking
T'ien-shih-fu	100	150	50	150	250	non "
Niu-hsin-t'ai		250	100	150	250	non "
Total	1,100	2,200	250	850	1,100	
Pig iron:					Capacity per year	
Blast furnaces						
200 MT	2 units				150,000 MT	
600 MT		2 units		2 units	200,000	
700 MT			2 units	2 units	250,000	
Steel ingots and billets:		56	56	56		
Open hearth furnaces						
120 MT			7 units	7 units		
Cupola furnace						
900 MT			1 unit	1 unit		
Preliminary refining furnace						
360 MT			2 units	1 unit		
Steel material	25		25	25		
Medium size	10		10	10		
Small size	15		15	15		

Note: as the vertical shaft at Penhsihu nears completion, the oblique shafts will gradually decrease output, and the vertical shaft increase output

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

State of progress of increased output (Units 1,000 MT and ¥ 1,000)

	Pres capac	5-yr plan	By end 1941	Capital needed 1939	Expended by end 1941	Needed after 1942	Total needed 1941
Coal:	950	1,250	650	31,352	49,538	24,946	74,484
Iron ore:	490	3,860	1,000	62,940	53,666	46,132	99,798
Ore				(43,816)	(35,835)	(24,450)	(60,285)
Reducing				(11,885)	(11,000)	(16,143)	(27,943)
Sintering				(7,239)	(1,688)	(9,882)	(11,570)
Iron & steel:				164,062	149,304	141,950	291,254
Pig iron	150	900	550	(32,851)	(26,851)	(30,000)	(56,851)
Steel rolling	0	560		(47,944)	(77)	(70,000)	(70,077)
Coke	250	1,250	500	(17,403)	(14,583)	(15,000)	(29,583)
Limestone	200	800	400	(3,121)	(7,333)		(7,333)
By-products				(16,900)	(17,110)		(17,110)
Accessories				(45,843)	(83,310)	(26,950)	(110,260)
Power:	24,500 kw	74,000 kw	74,000 kw	19,062	34,104		34,104
Subtotal				277,616	286,612	213,028	499,640
Interest of construction capital				3,529	19,065		19,065
Total				281,145	305,677	213,028	518,705

Note: the figures in this table are for the most part based on the capital plans for 1941. (20 Jan 1941)

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Details on capital for increased production (Units, ¥ 1,000 and 1,000 MT)

Equipment	General estimate: Cap'y	Value	Decrease due plan #2 & steel	Present estimate	Expended to end '40	Need '41	Need after 1942	Need till plans 1 & 2 partially completed	Deduction	Excess due to postponed plan #2	Excess due price raise & other causes
Iron wks	550	69,348	34,396	34,952	41,938	9,450	1,880	53,268	18,316	2,750	15,566
Materials											
Ore (poor) Ore (rich)	1,400 350	63,867	32,245	31,622	44,545	8,880	750	54,715	22,553	1,100	21,453
Elect	97,000 kw	19,062	2,193	16,869	22,371	6,370	1,450	30,191	13,322	3,500	9,822
Common equip		45,743	15,275	30,468	50,336	26,060	20,360	96,756	66,288	16,650	46,638
Coal mine	2,200	42,841		42,841	26,703	14,240	19,560	60,503	17,662		17,662
Steel	560	47,945	47,945		119			119	119		119
Interest					5,686	8,000	12,000	25,686	25,686		25,686
Total		288,806	132,054	156,752	191,698	73,000	56,000	320,698	163,946	24,000	139,946

Note: assuming the decreased estimate as 132,054 with a need for about 250,000, the total will exceed 570,000.
This table is based on data of 20 Feb 1941 at Penhsihu.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
COPYRIGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHTED
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Related companies

Co and purpose	Founded	Capital (¥ 1000)	Investors	Amt (¥1000)	%
Penhsihu Mineposts	1919	Auth 200	Penhsihu	50	25
Making mineposts, RR sleepers and charcoal		pd up 100	Others	150	75
Penhsihu Cement	1935	Auth and pd up 15,000	Penhsihu	1,400	9.3
			Okura	9,340	62.3
Making cement and cement products			Asano	3,000	20.
			Okura-shoji	750	5.
			Others	510	3.4
Penhsihu Dolomite Industry			Penhsihu	170	56.5
			Okura	100	33.3
			Namman Kogyo	30	10
Mining and sale of dolomite; making dolomite products	1936	300 300.			
Nan-t'ing Coal Mining Co	1921	1,700	Penhsihu	300	17.6
Mining and sale of coal		1,700	Okura	1,400	82.4
Penhsihu Special Steel	1938	10,000	Penhsihu	3,500	35.
			Okura	6,400	64.
Making, selling and processing of all kinds of special steel		2,500	Others	100	1.
Manshu Explosives	1941	8,500	Penhsihu	70	0.8
			Manten	70	0.8
Making and sale of explosives and their materials			Showa	70	0.8
		8,500	Manchukuo	350	4.2
			Mantetsu	70	0.8
			Hoten Mint	6,370	74.9
			Manshu Kako	1,500	17.7

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

X. KYOWA IRON MINING CO, LTD

(Kyowa Tessan Kabushiki Kaisha)
(Abbreviation, Kyowa)

A. Present Condition

Capital (Paid up as at founding, Aug 1939)		10,000,000
Number of shares		200,000
Spot shares	40,000	
Cash	160,000	
Shareholders		
Mangyo cash shares	80,000	
Manchukuo "	80,000	
Spot goods " Uejima	40,000	
Mangyo's investment (as of 31 Jan 1941)		
Shares		4,000,000
Loans		1,302,015

Present Equipment

Iron mining equipment:	Capacity per year
K'ai-yuan	20,000 MT
Hsi-feng	1,000 "
Hsu-chia-t'un	10,000 "
Shih-ch'eng-tao	5,000 "
Total	36,000 "

Also accessory equipment

Fixed assets (as of Aug 1940)

Mines:	
Mine fields	1,246,802
Land	55,465
Mining expense	680,975
Galleries	1,533,455
Buildings	370,490
Machines and tools	783,778

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Structures	83,007
Suspense acct for equipment	146,937
Running expense	1,661,080
Total	6,516,894
Railway	619,557
Miscellaneous equipment	62,086
Grand total	7,198,537

Iron ore selling price (Mar-Aug 1940)

Sold to:	Amount(MT)	Per MT	Total	From mine in
Muroran Steel Wks	2,714.59	¥ 62.	168,304.58	K'ai-yuan
Hoten Sumitomo	150.	38.	5,700.	" "
Kure Naval Arsenal	1,106.09	43.	47,561.96	" "
Daikwa Mining Co	4,833.84	88.	425,377.92	Miya-no-hara Nan-kung
" " "	30.	88.	2,640.	Miya-no-hara Nan-kung
Manshu Kosho	60.	14.50	870.	Ta-nan-kou Hsu-chia-t'un
" "	130.	21.	2,730.	
Hoten Sumitomo	59.34	22.	1,305.46	
Total	9,083.86		654,489.92	

Output and sales of iron ore (Unit MT)

	July '39-Feb '40			Mar '40-Aug '40			
	Carried fm prev	Mined	Sold	Carried	Mined	Sold	Balance
K'ai-yuan	10,000	18,270	9,770	18,500	9,350	8,730	1,120
Hsu-chia-t'un				5,166	5,212	60	10,318
Shih-ch'eng-tao				1,821	3,000	-	4,821
Miya-mo-hara				16,735	11,938	220	28,453
(Ta-nan-kou, Nan-kung *)							
Hai-feng				3,000			3,000
Total	10,000	18,270	9,770	45,222	29,500	9,010	47,712

*See TN end of IX, "Present Equipment."

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

State of the business

Period	Receipts	Expenditures	Profit	Percent	Dividend
1939 (7 mos)	1,012,927	640,815	372,112	6.5	5%
1940 (6 ")	681,915	462,310	219,605	6.4	5

Balance sheet (as of 31 Aug 1940)

Debit		Credit	
Mines	¥ 6,516,894.31	Capital A	¥ 6,000,000.00
		" B	4,000,000.00
Railway	619,557.93	Legal reserve	20,000.00
Misc equipment	62,086.46	Special "	130,000.00
Stored goods	1,285,464.06	Employees' deposits	48,045.56
Products	287,232.58	Accounts payable	557,791.58
Deposits	987,127.98	Suspense receipt	7,894.81
Cash	9,479.94	Bal from previous account	50,800.79
Accounts receivable	606,569.20	Profit this period	219,604.99
Suspense payment	609,691.09		
Distribution account	50,034.18		
Total	¥ 11,034,137.73		¥ 11,034,137.73

Profit and loss account (1Mar-31Aug'40)

Receipts		Expenditures	
Sales receipts	¥ 654,489.92	Sales expense	¥ 278,300.03
Misc "	27,424.96	General "	173,634.85
		Amortization	375.01
		Profit this period	219,604.99
Total	¥ 681,914.88		¥ 681,914.88

B. Plans for the Future

Second expansion plan (To be completed by 31 Mar 1941)

Mine	Present capacity	New or enlarged capacity	Total
K'ai-yuan	20,000 MT	180,000 Mt	200,000 MT
Hsi-feng	1,000 "	299,000 "	300,000 "
Hsu-chia-t'un	10,000 "	90,000 "	100,000 "

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Shih-ch'eng-tao	5,000 MT	capacity 95,000 MT	100,000 MT
Total	36,000 "	664,000 "	700,000 "

Estimated output and sales, 1940 (Apr-Mar)

#1 Estimate of June 1940:

Mine	Output	Sales	Stored
K'ai-yuan	100,000 MT	80,000 MT	20,000 MT
Hsu-chia-t'un	50,000 "	50,000 "	
Shih-ch'eng-tao	50,000 "	50,000 "	
Hsi-feng	100,000 "		100,000 "
K'ang-te	30,000 "	20,000 "	10,000 "
Total	330,000 "	200,000 "	130,000 "

#2 Estimate of Dec 1940: (A revision of #1)

K'ai-yuan	25,130 "
Hsu-chia-t'un	18,412 "
Shih-ch'eng-tao	2,500 "
Total	71,080 "

Capital plans for 1940 (Apr-Mar)

Capital needed:

Running expenses	9,538,000
Enterprise "	2,791,000
Dividends	321,000
Total	12,650,000

Provisions:

Own capital	7,725,000
Mangyo	2,000,000
Others	3,000,000
Total	12,725,000
Carried to next period	75,000

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

XI. MANCHURIA HEAVY MACHINERY CO, LTD

(Manshu Juki Kabushiki Kaisha)
(Abbreviation, Manjuki)

Capital (Paid up, as established May 1940) 50,000,000

Number of shares (All held by Mangyo) 1,000,000

Mangyo's investment (as of Jan 1941)

Shares	50,000,000
Deposit	38,051,790

Purpose of the company

Making and sale of rolling machines and hydraulic machinery
" " " " iron-making "
" " " " machinery of all sorts, welding, etc.
" " " " rollers

Accessory business

Plans for manufacture

	1940	1941	1942	1943
Capacity:				
Equipment				
Machinery	-	1,000 tons	20,000 tons	20,000 tons
Rollers	-	1,000 "	20,000 "	20,000 "
Forged steel)	-	750 "	15,000 "	15,000 "
Cast steel)	-			
Capacity:				
Production				
Machinery	-	-	1,000 "	20,000 "
Rollers	-	-	1,000 "	20,000 "
Forged steel)	-	-	750 "	15,000 "
Cast steel)	-			

Estimated expenses

Land		1,500,000
Buildings		23,578,000
Plants	9,053,000	
Equipments	2,843,000	
Welfare	11,682,000	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Machinery			32,249,000
	From Manshu	7,758,000	
	" Japan	10,605,000	
	" USA	13,886,000	
Others			
	Electricity	320,000	
	Water works	2,435,000	
	Roads	500,000	
	Railway	1,040,000	
	Grounds	2,475,000	
	Others	16,639,000	
Grand total			80,736,000

Capital plans for 1940

Captial needed:		
General expense		
Land purchase	1,356,000	
Building construction	277,000	
Purchase machines and tools	8,321,000	
Other equipment	1,267,000	
Operation expense	7,250,000	
Investments	5,000,000	
Purchase of rights	5,000,000	
Foundation expense	339,000	
Plans cost	235,000	
Office supplies	26,000	
Sub-total		29,071,000
Enterprise expense	236,000	
Total		29,307,000
Capital provision:		
Capital subscriptions	50,000,000	
Special release	1,350,000	
Deposits by related companies	4,000,000	
Interest on deposit	360,000	
Total		55,710,000

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Balance sheet (as of 30 Sep 1940)

Debit		Credit	
Industry rights	5,000,000.00	Capital	50,000,000.00
Fixtures	2,676.50	Accounts payable	24,213.11
Construction	320,016.43		
Establishment	272,022.09		
Accounts receivable	237,556.14		
Deposits	42,088,845.43		
Cash	724.43		
Suspense payments	38,780.49		
Loss	25,464.77		
Total	50,024,213.11		50,024,213.11

Profit and loss account (17 May-30 Sep 1940)

Loss		Profit	
General expenses	187,145.73	General receipts	225,686.48
Establishment	68,005.52	Loss this period	25,464.77
Total	255,151.25		255,151.25

Investment in related companies

Company	Founded	Capital	Investor	Amt	Pct
Manchuria Mach Mfg Co (Mfg and sale of mach for mining, iron wks, chem industry and of forgings and steel castings	Oct '40	(1,000) 5,000 (Pd up)	Ju-ki	5,000	100
Imperial Steel Casting Co (Mach, cast steel, forgings and light metals	May '37	2,000 1,650	Japanese (Investment contemplated	2,000	100

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

XII. MANCHURIA BORING*CO, LTD

Manshu Boring Kabushiki Kaisha

Present Condition

Capital (as at founding Jun '40)

Authorized		2,000,000
Paid up		1,000,000
Number of shares		40,000
Mangyo	29,600	
Tone Boring	10,400	

Mangyo's investment (as of 31 Jan '41)

Shares	740,000
Deposit	456,590

Present Equipment

	for	Units
Drilling machines	500 m.	2
	300 m.	1

Storehouses, company residences, etc.

Drilling operations

Completed:		
Jehol development, Sha-ho-tzu coal mine	100 m.	3
In process:		
Shu-lan coal mine	500 m.	4
" " " "	100 m.	20
Tohendo Development	500 m.	3
Contemplated:		
Manchuria Gold Mining, Hei-ho	100 m.	3
Tohendo Development (under negotiation)		

*The English word "Boring" is transliterated, hence should be used in translation.

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Fixed assets (as of 31 Dec '40)		¥ 99,419.66
Land		¥ 77000.00
Buildings		31,023.96
Storehouses (wooden)	¥ 7,623.01	
Company " (Hsinking employees' dormitories)	23,400.95	
Machinery		44,596.84
Drilling Mach (500 type, 2 units)	22,473.41	
Fixtures (2 trucks and others)	22,123.43	
Structures (shelves, etc)	11,748.86	
Establishment	5,050.00	

B. Plans for the Future

Plans for the unified drilling operation in Manchuria

Drilling machines	Units
Present number	3
Expected by Mar 1941	39
To be released by Mantan	68
" " " " Mi-shan	26
" " " " Tohendo	17
" " " " Shu-lan	10
" " " " Mining Development	39
" " " " Mantetsu	10
" " " " Penhsihu	3
" " " " Kanebo and others	9
Total	233

Capital plans for 1940

Capital needed:	October revision	¥ 1,972,000
General expenses	¥ 1,374,000	
Other expenditures	598,000	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Provision:		October revision.	¥ 2,066,000
From Mangyo		1,500,000	
" Others		500,000	
" Interest		66,000	
Balance to next year			¥ 94,000

Balance sheet (as of 30 Sep 1940)

Debit:		Credit:	
Unpaid capital	¥ 1,000,000.00	Capital	¥ 2,000,000.00
Fixed assets	(70,429.29)	Loan accounts	(22,916.60)
Land	7,000.00	Deposits	3,975.42
Buildings	22,100.95	Accts payable	18,941.18
Machines and tools	25,861.99	Suspense payment	23.54
Structures	10,416.35		
Initial expense	5,050.00		
Floating assets	(684,691.02)		
Stored goods	27,133.52		
Deposits	646,377.85		
Transfer saving	3,496.26		
Cash	1,244.89		
Accounts receivable	6,438.50		
Suspense payments	260,067.87		
Unbudgeted expense	3,171.04		
Loss this period	4,580.92		
Total	2,022,940.14		¥ 2,022,940.14

Profit and loss account (4 Jun-30 Sep 1940)

Loss		Profits	
General expenses	11,334.27	Interest received	6,767.96
Interest paid	14.61	Loss this period	4,580.92
Total	¥ 11,348.88		¥ 11,348.88

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

XIII. MANCHURIA SPECIAL IRON ORE CO, LTD

Manshu Tokushu Tekko Kabushiki Kaisha
Established Oct 1940

A. Present Condition

Capital

Authorized	¥ 30,000,000
Paid up	7,500,000

Number of shares (Oct 1940) 600,000

Mangyo	190,000
Manzan	400,000
Nippon Fat	10,000

Construction Progress (As of 31 Jan 1941) 1,983,700

Luan-p'ing mine (To be finished Oct 1941): ¥ 313,700

Ta-miao mine ¥ 158,900

Land (residence)	7,000
Construction (office, compressor, etc.)	20,400
Machinery purchase (13 drills, 2 Diesel eng)	131,500

Luan-p'ing ore dressing station 154,800

Land purchase	32,900	(Land for dressing station and
Construction (Office, oil storage, storehouses, 4-km RR, power plant, etc.)	69,400	incidental equipment, 93,000 tsubo)
Machinery purchase	52,500	

Chin-hsi coal mine (to be finished Apr 1943): 1,600,000

Land (mine field)	180,000
Machinery and tools	1,400,000
Others	20,000

Chin-chou refining plant (by Jun 1942): 70,000

Machinery and Tools	70,000

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT

Construction budget		¥ 48,853,643
Luan-p'ing mine:	¥ 12,733,706	
Mining equipment	1,578,555	
Ore dressing "	7,337,772	
Power "	422,150	
Transportation "	1,548,045	
Office "	1,404,549	
General expenses	442,635	
Chin-chou refining plant:		21,819,937
Refining equipment	14,055,354	
Transportation	547,700	
Power	5,213,400	
Office	1,731,250	
General expenses	272,233	
Private RR at Luan-p'ing		3,500,000
Chin-hsi coal mine		7,000,000
Working capital		3,800,000

B. Plans for the Future

Production after completion	Capacity per yr
Refined titanium (360,000 MT raw material)	61,000 MT
Ferrovanadium	782 "
Special pig iron	100,000 "
Cement	120,000 "
Coal	200,000 "

Notes: titanium to be produced after Oct 1941
coal " " " " Apr 1943
others " " " " Jun 1942

Plan for a private railway company

Purpose: to transport ore and passengers.

Name: Laun-p'ing RR Co, Ltd

Capital: ¥ 3,500,000

Termini: Shuan-t'ou-shan, Luan-p'ing-hsien, Jehol
Yu-ta-tu ditto
Via: Chung-ying-tzu and Ta-p'ing-kou-men

Extent: Single track, 23 km
Double track, 5 km

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

COPYRIGHT

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Treatment process

Refined titanium	Material for special steel, for high grade cosmetics, and other chemical industries.
Titanium iron ore	
Vanadium iron ore	Vanadium salts; ferrovanadium - material for special steel and chemical industries, mordant dye and catalyst
	Iron ore - special pig iron
	Cement

Receipts and expenditures (1 year)

Receipts:	Per MT	Amount
Refined titanium	¥ 40	¥ 2,440.000
Special pig iron	100	10,000,000
Cement	20	2,400,000
Ferrovanadium	-	7,800,000
	Total	¥22,640,000

Expenditures:		
Mining	3.20 (ore)	1,175,000
Ore dressing	7.50 "	2,754,000
Pig iron	55.00 (pig)	5,500,000
Cement	5.00	600,000
Vanadium mining	2.00 (ore)	391,670
Transportation	15.00	3,852,240
Office		1,200,000
	Total	¥15,472,910
	Profit balance	7,167,090
	Less amortization	3,000,000
	Net profit	¥4,167,090

Note: 13.89% on paid-up capital

RESTRICTED

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

XIV. MANCHURIA LEAD MINING CO, LTD

Manshu Enko Kabushiki Kaisha

A. Present Condition

Capital

Authorized: ¥ 30,000,000

At founding, 1935 ¥ 4,000,000
Increase, 1940 26,000,000

Paid up 17,000,000

Number of shares 600,000

Old share 80,000
New " 520,000

Shareholders

Manshu mining,	old shares	40,000
	new "	260,000
Nichiman "	old "	40,000
	new "	260,000

Manzan's investment (As of 31 Jan 1941)

Shares	8,906,506.72
Loans	10,252,778.87

Present equipment

Yang-chia-chang-tzu Mine:

Mining equipment
Shafts (vertical) 5
Accessories

Ore dressing stations

#2 treating 500 MT of ore per day In operation
#1 " 120 " ditto "
(#2 needed reconstruction after starting work, but began again in June)

Electric installations

Old transforming station with three 22,000 v, 300 kva transformers
New transforming station with three 66,000 v, 2000 kva transformers

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Output and sales (Apr 1939-Mar 1940)

	Quality %	Output	Amount sold	Quality %
Ore raw material		48,749 MT		
Refined lead	67.46	3,471 MT	3,022 MT	61.60
" zinc	49.77	5,369 MT	4,602 MT	46.80
" iron sulphide	41.08	5,483 MT	5,998 MT	41.71

State of the business

Period	Receipts	Expenditures	Gain	Loss	Dividend
1935	1,002.08	16,275.16		15,273.08	-
1936	479,151.07	456,724.14	22,426.93		-
1937	1,110,821.36	543,755.06	567,066.30		-
1938	1,386,766.04	804,232.12	582,533.92		-
1939	1,729,249.31	1,338,855.07	390,394.24		Ordinary 6% Special 18%
1940	4,123,997.72	3,669,623.57	454,374.15		6%

Balance sheet (as of 31 Dec 1940)

Debit		Credit	
Unpaid capital	¥ 13,000,000.00	Capital	¥ 30,000,000.00
Fixed assets	(15,892,258.97)	Legal reserve	80,000.00
Preliminary expense	2,204,768.86	Special "	360,000.00
Mines	11,896,140.94	Retirement, etc.	15,000.00
Refinery	1,205,044.51	Loans	9,260,000.00
Misc equipment	586,304.66	Bal from previous acct	24,648.31
Floating assets	(4,785,078.26)	Employees' deposits	149,829.09
Products	1,028,743.15	Accounts payable	538,108.89
Stored goods	2,252,597.67	Mutual aid account	7,158.54
Securities	1,500,000.00	Manzan account	691,716.56
Cash	3,737.44	Bills payable	606,290.00
Banks	253,243.65	Suspense receipt	40,865.63
Accounts receivable	1,238,206.73	Profit this period	454,374.15
Suspense payment	1,439,425.63		
Building account	5,619,777.93		
Total	¥42,227,991.17		¥42,227,991.17

Profit and loss account (Jan-Dec 1940)

Loss		Profit	
Office expense	766,574.34	Office receipts	207,296.52
Mining "	2,903,049.23	Mining receipts	3,916,701.20
Profit this period	454,374.15		
Total	¥4,123,997.72		¥4,123,997.72

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

B. Plans for the Future

Increased output (To be completed 1943)

Ore raw material	750,000 MT per year 2,500 MT per day
Ore dressing	
Lead	41,400 MT per year
Zinc	82,800 MT per year
Iron sulphide	170,400 MT per year
Refining	
Metallic zinc	36,000 MT per year
Sulphuric Acid	67,000 MT per year
Cadmium	191 MT per year

Plans for 1940

Yang-chia-chang-tzu Mine:

Vertical shaft	
Deepened	240 m
Extended	1,896 m
Galleries extended	9,191 m
Chin-hsi RR (To be finished Mar 1941)	
Length	35 km

Hu-lu-tao Mine:

Work begun Sep 1939 on a zinc refinery and a plant for by-products; work continuing, and should be completed by Nov 1941.

First plan	Output per year
Zinc	8,000 MT
Sulphuric acid	15,000 MT
Cadmium	42 MT

Capital plans for 1940 (Apr-Mar; unit, ¥1,000)

Capital needed:	October revision	August revision
General expenses	7,593	10,420
Investment in Chin-hsi RR	1,700	1,200
Dividends and rewards	998	998
Repayment of loans	-	300
Working capital increase	871	-
Total	11,162	12,918

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Capital plans for 1940 (Apr-Mar; unit, ¥1,000)(Contd)

Provision:	October revision	August revision
Balance from previous year	337	337
Own capital	1,641	1,301
Manzan	2,891	5,000
Others	6,500	6,500
Total	11,369	13,138
Balance to next year	207	220

Estimated output for 1940 (Apr-Mar)

Lead	8,931 MT
Zinc	13,032 MT
Iron sulphide	27,107 MT
Molybdenum	160 MT

Output and sales (Jan-Dec 1940)

Lead and Zinc:	Output	Sales
Ore raw material	103,869 MT	
Refined lead	5,512 MT	6,156 MT
Refined zinc	8,725 MT	9,018 MT
Iron sulphide	14,994 MT	16,104 MT
Molybdenum:		
Ore raw material	9,080 MT	
Refined molybdenum	47 MT	46 MT

Sales receipts and expenditures (Jan-Dec 1940)

Receipts:		Per MT
Refined lead	¥ 1,811,160.20	¥ 294,205
" zinc	1,248,876.59	138,481
" molybdenum	397,843.27	8,543,275
Iron sulphide	458,821.14	28,490
Total	¥ 3,916,701.20	
Expenditures:		
Production cost lead	1,043,241.84	169.46
" " zinc	1,105,819.66	122.62
" " molybdenum	212,910.36	4,572.03
" " iron sulphide	92,031.23	5.71
Subtotal	2,454,003.09	
Freight	129,916.90	
Amortization	319,129.24	
Total	¥ 2,903,049.23	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Estimated income and expenditure, 1940 (Apr-Mar; unit, ¥1,000)

Income		Expenditure	
Goods and materials on hand at end	946	On hand at beginning	369
Sales receipts	5,220	Interest paid	496
Interest received	20	General expenses	3,644
Other receipts	82	Total	4,499
		Amortization	363
Total	6,268	Net profit	1,406

Receipts and expenditures (Jan-Dec 1940)

Receipts		Expenditures	
For goods	¥ 3,916,701.20	Cost of production	¥ 2,903,049.23
Interest	89,259.94	General expenses	461,262.19
Miscellaneous	118,036.58	Interest paid	304,837.03
		Amortization	475.12
Total	4,123,997.72		
		Total	3,669,623.57
		Net profit	454,374.15

Related company

Chin-hsi RR Co, Ltd (Founded July 1939):

Capital (paid up)	¥ 3,000,000
Investors	
Manshu Lead (50%)	¥ 1,500,000
Nichiman Mining Co (50%)	1,500,000

Purpose

General rail transportation
Automobile transport
Storage
Forwarding

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

XV. MANCHURIA MAGNESIUM INDUSTRY CO, LTD

Manshu Magnesium Kogyo Kabushiki Kaisha

Capital (Paid up), (as at founding, Jul '3[illegible]) ¥ 10,000,000

Number of shares (all held by Manchuria Light Metals) 200,000

Keikinzoku's investment (as of 31 Jan 1941)

Shares	¥ 10,000,000
Loans	3,200,000

Production goal

	Output per year
Magnesium	1,000 MT
Table salt	22,000 MT

Construction plans

Yearly capacity: 1,000 MT

Building installations	Completed
Machinery installations (rectifier)	To be completed by end of 1940

Research station:

Analysis department	Completed
Equipment for research by the direct reduction method and by physical research	Estimate, ¥ 300,000; 30% completed

Experimental plant: (Capacity 300,000 MT per year)

Direct reduction method and revised production method under investigation
Now in operation

Construction budget (Unit ¥ 1,000)

	Total	1938	1939	1940(Est)	Total	1941(Est)
Land	277	142	63	8	212	64
Plant equipment	(8,893)	-	(398)	(4,408)	(4,406)	(4,492)
Raw bittern	1,362	-	85	1,086	1,171	191
Heavy bittern	212	-	-	183	183	29
Refined bittern	100	-	-	61	61	39
Magnesium hydroxide	150	-	-	110	110	50
Artificial bittern	762	-	3	145	145	614
Exhaust washing	62	-	-	30	30	32
Dehydrating	459	-	-	259	259	200
Electrolysis	324	-	-	163	163	161
Electrolytic magnesium	1,162	-	-	598	598	564
Metallic magnesium	105	-	-	51	51	54

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

	Total	1938	1939	1940(Est)	Total	1941(Est)
Salt collection	170	-	-	72	72	98
Table salt	57	-	-	21	21	36
Flux	3	-	-	3	3	-
Coke	71	-	-	70	70	1
Electricity	2,411	-	9	564	573	1,838
Steam	310	-	65	118	183	127
Engineering	103	-	43	57	100	3
Experiment	333	-	108	215	323	10
Analysis lab	75	-	47	15	62	13
Physical experiment	378	-	1	32	33	345
Transportation	203	-	32	94	126	77
Salt fields	639	-	25	607	632	7
Misc Equipment	(593)	(25)	(86)	(283)	(393)	(200)
Office	113	25	23	64	112	1
Storehouses	119	-	55	60	115	4
Miscellaneous	361	-	8	158	166	195
Welfare	(1,990)	(33)	(111)	(851)	(995)	(995)
Details						
Residences						
Japanese	1,506	33	84	617	734	772
Manshu	148	-	-	76	76	72
Heating	225	-	-	75	75	150
Miscellaneous	111	-	27	82	110	1
Grand total	12,397	200	683	5,757	6,639	5,751

NOTE: ¥ 2,400,000 of the 1941 budget will be paid before the end of 1940.

Estimated output, 1940 (Apr-Mar)

Metallic magnesium	430 MT
Refined salt	9,200 MT
Table salt	40 MT
Sodium bromide	17 MT
Sodium sulphate	421 MT
Gypsum	161 MT

Capital plans for 1940 (Apr-Mar Unit, ¥ 1,000)

Capital needed: ¥ 6,493

General expenses		¥ 4,896
Building	1,310	
Machinery	2,462	
Others	1,124	

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Capital plans for 1940 (Apr-Mar unit, ¥ 1,000) (Contd)

Running expenses	¥ 1,597	
Provision:		6,560
Loans	4,722	
Own capital	1,838	

Balance sheet (as of 31 Aug 1940)

Assets		Liabilities	
Plants	¥ 8,158.72	Capital	¥ 10,000,000.00
Salt fields	2,161.26	Employees' deposits	145,260.60
Misc equipment	151,494.36	Accounts payable	137,065.61
Products	4,470.37	Loans	1,100,000.00
Half-finished goods	12,424.84	Suspense receipt	820,257.47
Work begun	43,660.40	Securities	62,500.00
Stored goods	2,030,407.81		
Securities	64,477.75		
Accounts receivable	292,204.81		
Bank deposits	52,637.26		
Cash	2,240.64		
Preliminary expense	6,500.00		
Building account	6,773,384.40		
Suspense payment	2,259,570.49		
Guarantee	62,230.00		
Loss balance	340,413.57		
Loss this period	158,147.00		
Total	¥ 12,265,083.68		¥ 12,265,083.68

Profit and loss account

Loss		Profit	
General expenses	¥ 182,971.21	General receipts	¥ 26,307.28
Production costs	10,476.95	Sales receipts	10,293.88
Amortization, etc.	1,300.00	Loss this period	158,147.00
Total	¥ 194,748.16		¥ 194,748.16

State of the business

Period	Receipts	Expenditures	Loss
1938 1st half	¥ 13,916.61	¥ 32,280.97	¥ 18,364.36
1938 2d half	33,862.52	79,560.94	45,698.42
1939 1st half	36,626.56	143,061.62	106,435.06
1939 2d half	15,567.90	185,483.63	169,915.73
1940 1st half	36,601.16	194,748.00	158,147.00

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

XVI. FU-SHUN CEMENT CO, LTD

Fushan Cement Kabushiki Kaisha

A. Present Condition

Capital (Paid-up) ¥ 5,000,000

At foundation Jul 1934	2,500,000
Increase Sep 1938	2,500,000

Number of Shares

Manchuria Light Metals	50,000
Mantetsu	50,000

Keikinzokri's Investment (as of 31 Jan 1941)

Shares ¥ 2,500,000

Bank loans (as of 31 Jan 1941) ¥ 3,020,472

Chosen bank (note)	¥ 1,400,000
Manshu Kogin (note)	1,000,000
" " (overdraft)	620,472

Present equipment

Capacity:

Equipment to produce 300,000 MT of cement per year now in operation; 150,000 additional to be ready by Nov 1940

Main equipment:

	Units
Revolving Kiln	1
Crusher for raw material	2
Finishing equipment	2
Hammer crusher	1
Pneumatic compressor	3
Coal pulverizer	1
Sack-filling machine	3
Filter	3

Output and sales, 1939 (Apr-Mar)

	Output	Sales
Silicate cement	75,799 MT	68,437 MT
Ordinary cement	23,345 MT	20,603 MT

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
CPYRGHT

State of the business

Period	Receipts	Expenditures	Gain	Loss	Dividend
1937	¥ 2,742,684	¥ 2,478,539	¥ 264,145		5%
1938	2,649,701	2,696,535		¥ 46,834	none
1939	2,890,399	2,910,197		19,798	none

Capital plans for 1940

Capital needed:		¥ 1,107,000
General expenses	¥ 881,000	
Building	¥ 322,000	
Machinery	381,000	
Others	178,000	
Working capital increase	¥ 226,000	
Provision:		
Own capital	¥ 121,000	
Loans	986,000	

Balance sheet (as of 30 Apr 1940)

Debit		Credit	
Equipment	¥ 2,211,614.74	Capital	¥ 5,000,000.00
Misc "	708,593.26	Legal reserve	37,200.00
Fixtures	36,756.67	Special reserce	96,000.00
Products	144,819.11	Retirement, etc	22,649.00
Half-finished goods	75,255.37		
		Bank loans	978,360.32
Stored goods	898,784.13	Money read as sec	651.37
Securities	25,000.00	Bills payable	1,430,000.00
Cash	269.01	Employees deposit	13,502.15
Transfer Accout	13.88	Fidelity bonds	30,557.77
Correspondent loans	660,997.87	Mutual aid	13,917.02
Accounts received	15,610.14	Accounts payable	392,151.02
Suspense payments	3,252,713.12	Suspense payments	23,187.69
Loss this period	19,798.23	Bal from last acct	12,154.19

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3
RESTRICTED

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

Total	¥ 8,050,330.53		¥ 8,050,330.53

Profit and loss account (May '39-Apr'40)

Sales expense	¥ 2,910,197.17	Sales receipts	¥ 2,890,398.94
		Loss this period	19,798.23
Total	¥ 2,910,197.17		¥ 2,910,197.17

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT
Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

XVII. ANTUNG CEMENT CO, LTD.

Antung Cement Kabushiki Kaisha

A. Present Condition

Capital (as at founding, Mar 1940)

Authorized	¥ 8,000,000
Paid up	6,000,000

Number of shares (All held by Manchuria Light Metals) 160,000

Spot goods shares	80,000
Cash	80,000

Keikinzoku's investment (as of 31 Jan 1941)

Shares	¥ 6,000,000
Loans	3,118,000

Present Equipment (as of 31 Jan 1941)

Capacity:

350,000 MT to be ready by July 1941, of which 250,000 MT to be ready by July 1941

Equipment cost: ¥14,323,000

Land	¥	146,000
Buildings		2,909,000
Machinery		10,948,000
From Manchuria		6,357,000
" Japan		4,591,000
Others		320,000

Plans for 1940

Land:	260,000 sq m already cleared (rented of Keikinzoku)
Buildings:	25,265 " "; 25 buildings, 60% finished
Machinery:	2 revolving kilns; 6 pulverizers; 3 desiccators; and others, with accessories, to be ready by May '41*
Structures:	Chimneys, tanks and storage tanks
Power:	Power plant one each of 2,000 KWH and 3,850 KWH ready by end of year, purchased power of 150 KWH under preparation

*90% of machinery to be received from Gifu Cement; 10% of machinery to be new installations

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

CPYRGHT Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3

XVII. ANTUNG CEMENT CO, LTD

Antung Cement Kabushiki Kaisha

(continued)

A. Present Condition (continued)

Capital Plans for 1940 (Apr-Mar)

Capital needed:			¥ 6,053,000
General expenses		¥ 5,253,000	
Land purchase	¥ 124,000		
Building construction	2,136,000		
Machines and tools	2,693,000		
Others	300,000		
Working capital increase		800,000	
Provision:			¥ 6,874,000
Capital subscriptions		¥ 3,000,000	
Loan from Keikinzoku		3,846,000	
Own capital		28,000	

[End of WDC No 252522]

[End of WDC TRANSLATION No 28]

Approved For Release 1999/08/25 : CIA-RDP78-03109A000200010004-3